Steven R. Mock
Lawrence W. Moczulski
George E. Monarch III
Monte G. Montgomery
Bertram E. Moore, Jr.
John T. Moore
Ralph F. Morgan
Robert J. Morgan
Marion K. Morgan
Allen R. Morris
Harey D. Morrow
James L. Morton
Mark S. Moses
Dirk P. Mosis D.
James M. Mulholand
John R. Murphy
Harry L. Myers, Jr.
Mark H. Naster
Richard F. Natonski
James P. Naughton
Rex E. Nelsen
Lance C. Newby
Clark C. Nielsen
Dennis E. Norman
Edward J. Novicki
Daniel C. O'Brien
Dennis A. O'Brien
Jeremiah J. O'Brien
Thomas M. Ochala
Sam G. Ochoco
William P. O'Donnell
John F. Ogden
Warren T. O'Hara III
William F. O'Hara, Jr.
Rudolf S. Olszyk
David P. O'Neil
James L. O'Neill
James V. Orlando III
Bryant C. Orr
Paul W. O'Toole, Jr.
Charles T. Owen
Huey S. Pace, Jr.
Vincent J. Palancia
Roland N. Pannell, Jr.
Dale M. Papworth
Angelo S. Parise
Larry R. Parks
Robert L. Parnell III
James L. Patterson
Roger C. Patton
Ronald W. Peck
Troy D. Pennington
Stephen W. Perkins
Michael P. Perry
Douglas T. Peters
Jimmie F. Peters
Charles L. Peterson
Christopher D. Peterson
James R. Philson
Richard F. Piasecki
Lawrence J. Pietropaulo
James W. Piggott
Paul R. Plante
Richard L. Plautz
Mark M. Pollitt
James E. Pons
Angus M. Prim
Dale A. Prondzinski
Rodney N. Propst
Lee C. Pugh
Joseph J. Quaglia, Jr.
Steven R. Quentmeyer
Anthony J. Quinn
Michael P. Rainey
Cecil E. Ralston, Jr.
Ronald E. Randolph
David G. Ranowsky
Bryan G. Ramey
David A. Raper
David J. Rash
Louis F. Rave
Robert W. Reese
Douglas C. Redlich
Joseph S. Regan
Arlen D. Rens
David M. Renzelman
Ronald R. Rhoads
Virgil G. Rhoads
Gordon A. Rice
Stephen M. Rich
Linwood D. Richards III
Edmond T. Richardson, Jr.
Steven M. Ritacco
William L. Riznychok
Richard W. Roan
Mark E. Robbins
Donald E. Roberson
William J. Robinson
David B. Roche
Lowell R. Rogers
Theron D. Rogers
Christopher J. Ross
Richard K. Rothell
Otis E. Rowland
Donald R. Ruch
Ronald W. Ruescher
Robert A. Rufo
Timothy J. Ryan
Joseph M. Sackett
Donald L. Sammons
Juan B. Sanchez
Richard F. Schalk
Walter A. Schartmann
Norman G. Schlaich
Michael F. Schlueter
Eddie R. Schmalz
Walter C. Schmick, Jr.
Joseph H. Schmid
Nolan D. Schmidt
Robert L. Schmitt
Jerry O. Schutt
Walter R. Schuette
Arlon T. Schuetz
Robert W. Semmler
Charles C. Senn, Jr.
Steven W. Shaulis
Gary D. Shaw
Howard D. Shea
Donald R. Shepherd
James L. Shipman, Jr.
Larry K. Shipman
Donald P. Shirk
George C. Siller, Jr.
Theron Simpson, Jr.
Wilbert O. Sisson
Robert W. Skaggs
Larry W. Slaugh
Barry L. Smith
Charles R. Smith III
David L. Smith
Guilford V. Smith, Jr.
Paris G. Smith, Jr.
Stephen L. Smith
William W. Smith, Jr.
Franklin J. Sofio
Steven B. Sonnenberg
Dennis C. Sorrell
Linwood W. Sparrow
Roger K. Spencer
William X. Spencer
Glenn C. Spradling
Marc A. Spurgeon
Philip A. Stanley
Clinton D. Stannard
Thomas S. Stanmore
John F. Stastny
William H. Steele
Craig M. Steenberg
Frank D. Stephens
Keith L. Stephens
Michael K. Stevens
John F. Stewart
Paul A. Stewart, Jr.
Richard A. Stewart
Clayton E. Stillings
Robert D. Stockman
Robert T. Stockman
Douglas M. Stone
Romuald A. Stone M.
Randall C. Stout
Thomas M. Strait
Joseph J. Streitz
Michael L. Stroud
James A. Stuart III
Roger G. Sturgis
Jerry L. Suenaga
Donald E. Summers
Jesse O. Sunderland
Lary A. Sunn
Mark E. Swanstrom
Tommy D. Sweatt
John M. Taska
Don W. Tatone
Chester M. Taylor
Norman B. Taylor
Richard A. Teeter
James G. Teskey
Charles A. Teubert
Mark C. Thoman
James E. Thomas
Johnny R. Thomas
Kenneth E. Thomas
Thomas H. Thomiszer
David L. Thompson
Gary O. Thompson
Gregory E. Thompson
Bruce P. Thompsonbowers
Ernest C. Threadgill II
Steven M. Timm
Eugene R. Timothy
James R. Tomlinson
Billy W. Tongate
Garvin O. Tootle
Stephen P. Toth
Francis V. Treybal III
Lawrence E. Troffer, Jr.
Donald R. Troutt
Barry W. Trudeau
Robert K. Tucker
Glenn H. Turley
Gregory P. Turner
William M. Twaddell
Dudley W. Urban
Robert J. Urban
John R. Vandrasek, Jr.
Edward B. Vanhaute
James W. Vaught
Servando J. Velarde III
Jose Villanueva, Jr.
Geramon W. Vinup
Peter R. Vogt
Charles P. Voith
Joel R. Voneida
Daniel D. Vuilleumier
Terry R. Wade
Larry D. Walden
Frederick M. Waller, Jr
Thomas A. Walliser
Francis R. Walker
Edward E. Waltrip
Michael B. Warlick
Gregory S. Warner
Albert A. Washington
Gene D. Watson M.
John H. Watson
William P. Watson III
Randel A. Webb
Loyd T. Weeks
Walter W. Weigle
Paul R. Weigley, Jr.
Robert D. Wetzel
Tait K. Wheeler
Dickie J. White
Richard H. White
Thomas H. White
Thomas B. White III
Harold E. Whitney, Jr.
Michael G. Whitten
Wayne E. Wickman
Clifford N. Wildsmith
Cornell A. Wilson, Jr.
Gregory V. Wilson
Timothy T. Wilson
Arthur P. Williams
Glenn R. Williams
Herlis A. Williams, Jr.
Lloyd E. Williams
Thomas J. Williams
Lance Wismer
Carl H. Wohlfeil, Jr.
Robert Wolf
Robert L. Wolf
Gary E. Wolfe
Richard K. Wolfe
Franklin P. Wood
John D. Woods
Billy E. Wright
Gregory R. Wright
William A. Wright III
John M. Yencha, Jr.
David H. Yound
Brett N. Younkin
Robert F. Zurface

The following named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 2107, subject to the qualifications thereof as provided by law:

Jesse R. Barker
Michael A. Corcoran
Frank M. Kenny
Peter W. Langevin
Michael M. Mascarena
Stephen P. O'Hara
Omar M. Rashash

The following named (Marine Corps enlisted commissioning education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S.C. Code, section 5583, subject to the qualifications therefor as provided by law:

James V. Aldrich
Willie M. Beardsley
Gregory S. Berger
Russell A. Demeyere
Donald Z. Dillon
Michael A. Glass
Ronald D. Jacob
Thomas D. Laboube
Daniel L. McManus
David M. Meyers
Dorel A. Nanna
Raymond J. Ponnath Jr.
Michael C. Rakaska
Bernard A. Reimondo
Ernest L. Schrader
Michael W. Thomas
Charles G. Wheeler, Jr

The following named (Navy enlisted scientific education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 5583, subject to the qualifications therefor as provided by law:

Thomas D. Olson
Robert D. Madison
Robert J. Watson

HOUSE OF REPRESENTATIVES—*Monday, February 6, 1978*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; and they shall walk and not faint.—Isaiah 40: 41.

O God, our Father, as we wait upon Thee may our strength be renewed that we may run and not be weary and walk with Thee and with one another and not faint. So shall we do our best for our country and so shall we bring our best to the tasks before us this day. Consecrate with Thy presence the way our feet may go that our thoughts may be creative, our words clear, our hearts clean, and our deeds constructive. In everything, move through us to lift our Nation and the nations of our planet to a higher plane of cooperative living for Thy sake and for the good of our human family. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House of Representatives numbered 1, 2, and 3 to the amendment of the Senate to the bill (H.R. 7442) entitled "An act to amend the Communications Act of 1934 to provide for the regulation of utility pole attachments.".

The message also announced that the Senate agrees to the amendment of the House of Representatives numbered 4 to the amendment of the Senate to the above-entitled bill with an amendment.

The message also announced that the Vice President, pursuant to Public Law 95–45, appointed Mr. BELLMON and Mr. SCOTT to attend, on the part of the Senate, the Interparliamentary Union Spring Meeting, to be held in Lisbon, Portugal, March 27 to 31, 1978.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

LAND CONSOLIDATION AND DEVELOPMENT ON THE UMATILLA INDIAN RESERVATION

The Clerk called the bill (H.R. 2539) pertaining to land consolidation and development on the Umatilla Indian Reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

Ms. MIKULSKI. Mr. Speaker, I ask unanimous consent that the bill H.R. 2539 be stricken from the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

INHERITANCE OF TRUST OR RESTRICTED LANDS ON UMATILLA INDIAN RESERVATION

The Clerk called the bill (H.R. 2540) pertaining to the inheritance of trust or restricted lands on the Umatilla Indian Reservation.

There being no objection, the Clerk read the bill as follows:

H.R. 2540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the right to inherit trust or restricted lands on the Umatilla Indian Reservation, to the extent that the laws of descent of the State of Oregon are inconsistent herewith, shall be as follows:

SECTION 1. When any Indian dies leaving any interest in trust or restricted land within the Umatilla Reservation and not having lawfully devised the same, such interest shall descend in equal shares to his or her children, and to the issue of any deceased child by right of representation; and if there is no child of the decedent living at the time of his or her death, such interest shall descend to all his or her other lineal descendants; and if all such descendants are in the same degree of kindred to the intestate, they shall take such real property equally, or otherwise they shall take according to the right of representation. Any interest taken hereunder shall be subject to the right of a surviving spouse as provided in section 2.

SEC. 2. The surviving spouse of any Indian who dies leaving any interest in trust or restricted land within the Umatilla Reservation shall be entitled to the use during his or her life of one-half part of all such trust or restricted interests in land.

SEC. 3. If any Indian who leaves any interest in trust or restricted land within the Umatilla Reservation, make provisions for his or her surviving spouse by an approved will, such surviving spouse shall have an election whether to take the provisions as made in such will or to take the interest as set forth in section 2 of the Act, but such surviving spouse shall not be entitled to both unless it plainly appears by the will to have been so intended by the testator. When any surviving spouse is entitled to an election under this section, he or she shall be deemed to have elected to take the provisions as made in such will unless at or prior to the first hearing to probate the will that he or she has elected to take under section 2 of this Act and not under the will.

With the following committee amendment:

Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That the right to inherit trust or restricted land on the Umatilla Indian Reservation, to the extent that the laws of descent of the State of Oregon are inconsistent herewith, shall be as provided herein.

SEC. 2. When any Indian dies leaving any interest in trust or restricted land within the Umatilla Reservation and not having lawfully devised the same, such interest shall descend in equal shares to his or her children and to the issue of any deceased child by right of representation; and if there is no child of the decedent living at the time of his or her death, such interests shall descend to his or her other lineal descendants; and if such descendants are in the same degree of kindred to the intestate, they shall take such real property equally, or otherwise they shall take according to the right of representation. An interest taken hereunder shall be subject to the right of a surviving spouse as provided in section 3.

SEC. 3. The surviving spouse of any Indian who dies leaving any interest in trust or restricted land within the Umatilla Reservation shall be entitled to obtain a one-half interest in all such trust or restricted interests in land during his or her lifetime.

SEC. 4. If any Indian, who leaves any interest in trust or restricted land within the Umatilla Reservation, makes provisions for his or her surviving spouse by an approved will, such surviving spouse shall have an election whether to take the provisions as made in such will or to take the interest as set forth in section 3 of this Act, but such surviving spouse shall not be entitled to both unless it plainly appears by the will to have been so intended by the testator. When any surviving spouse is entitled to an election under this section, he or she shall be deemed to have elected to take the provisions as made in such will unless, at or prior to the first hearing to probate the will, he or she has elected to take under section 3 of this Act and not under the will.

SEC. 5. The provisions of this Act shall apply to all estates of decedents who die on or after the date of enactment of this Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE RETURN TO THE UNITED STATES OF TITLE TO CERTAIN LANDS CONVEYED TO CERTAIN INDIAN PUEBLOS OF NEW MEXICO AND FOR SUCH LAND TO BE HELD IN TRUST BY THE UNITED STATES FOR SUCH TRIBES

The Clerk called the Senate bill (S. 1509) to provide for the return to the United States of title to certain lands conveyed to certain Indian pueblos of New Mexico and for such land to be held in trust by the United States for such tribes.

There being no objection, the Clerk read the Senate bill as follows:

S. 1509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the duly authorized officials of each of the Indian pueblos of New Mexico are hereby authorized to convey to the United States all the right, title, and interest of such pueblos in the land located in Albuquerque, County of Bernalillo, State of New Mexico, which was conveyed to such pueblos on behalf of the United States and the Secretary of the Interior by the quitclaim deed executed on June 17, 1969, by the Acting Commissioner of Indian Affairs, and by the correction quitclaim deed executed July 30, 1970, by the Commissioner of Indian Affairs, and which is described as follows:

Tract "C"

A tract of land lying and being situated in section 7, township 10 north, range 3 east of the New Mexico principal meridian, within the city of Albuquerque, County of Bernalillo, State of New Mexico, said tract being more particularly described as follows:

Beginning at a point on the west right-of-way line for 12th Street and the north right-of-way line for Indian School Road, said point also being corner No. 2 of tract herein described and from whence the New Mexico Highway Department Triangulation Station 1–40–15 having established coordinates of Y–1494103.76, X–378204.72 of the New Mexico coordinate system, central zone, bears S. 16 degrees 02 minutes 03 seconds E., 989.43 feet.

Thence north 59 degrees 58 minutes 22 seconds west, 281.29 feet along the north right-of-way of Indian School Road to the point of curvature and corner No. 3 of said tract.

Thence in a northwesterly direction 212.69 feet along the range/west curve concave to the northeast having a radius of 1,393.27 feet to corner No. 4.

Thence north 8 degrees 49 minutes 05 seconds east, 865.60 feet to corner No. 5, a point on the south right-of-way of Menaul Boulevard extension.

Thence in a northeasterly direction 493.42 feet along the range/west curve concave of the south having a radius of 716.20 feet to corner No. 1, a point on the west range/west line for 12th Street.

Thence south 8 degrees 16 minutes west, 1,255.45 feet along said range/west to corner No. 2, the point and place of beginning, said tract containing 11.2857 acres, more or less.

Corner Coordinates of Tract "C"

Corner	Y— Coordinate	X— Coordinate
1	1496295.97	378116.98
2	1495054.70	377931.43
3	1495196.41	377688.55
4	1495316.87	377513.58
5	1496171.41	377649.72

(b) Upon approval by the Secretary of the Interior, the Secretary shall accept such conveyances on behalf of the United States. Such land shall be held in trust jointly for such Indian pueblos and shall enjoy the tax-exempt status of other trust lands, including exemption from State taxation and regulation. However, such property shall not be "Indian country" as defined in section 1151 of title 18, United States Code. The Secretary shall cause a description of such trust land to be published in the Federal Register.

(c) Nothing in this Act shall terminate or diminish the rights or interests of the Indian Pueblo Cultural Center, Inc., as an assignee or subleasee of the lease of such land to the All Indian Pueblo Council, Inc., approved on August 27, 1974, by the Bureau of Indian Affairs.

(d) Nothing in this Act shall alter the rights or interests, if any, in the adjacent lands previously conveyed to the County of Bernalillo for Four-H Club use by deed dated March 22, 1960.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING RETIREMENT OF CERTAIN RESERVE ENLISTED MEMBERS OF ARMY AND AIR FORCE AFTER 20 YEARS OF SERVICE

The Clerk called the bill (H.R. 10341) to amend title 10, United States Code, to authorize reserve enlisted members of the Army and the Air Force to retire with 20 years of service.

The SPEAKER. Is there objection to the present consideration of the bill?

Ms. MIKULSKI. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

RECALCULATING THE RETIRED PAY OF CERTAIN SERGEANT MAJORS OF MARINE CORPS

The Clerk called the bill (H.R. 10343) to provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967.

Ms. MIKULSKI. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

The SPEAKER. This ends the call of bills on the Consent Calendar.

APPOINTMENT AS MEMBERS OF NATIONAL COMMISSION ON SOCIAL SECURITY

The SPEAKER. Pursuant to the provisions of section 361(a)(2), Public Law 95-216, the Chair appoints as members of the National Commission on Social Security, the following from private life: Mr. Wilbur J. Cohen of Ann Arbor, Mich., and Mr. Robert Julius Myers of Silver Spring, Md.

APPOINTMENTS TO THE NATIONAL COMMISSION ON SOCIAL SECURITY

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker: You may recall that the Social Security Amendments of 1977, Public Law 95-216, provides for the establishment of a nine member National Commission on Social Security in which the Speaker of the House appoints two members.

I am very pleased to announce today the appointment of Wilbur Joseph Cohen as the Democratic appointment, and after consultation with the minority leader, JOHN RHODES, the appointment of Robert Julius Myers as the Republican appointment to the National Commission on Social Security.

We in the House of Representatives view this Commission with particular importance and feel very strongly that the members of this Commission should consist of men and women of bipartisan and recognized standing and distinction, and who have a special knowledge or expertise in those programs under the social security system.

The purpose of this Commission is to conduct a study, investigation, and review of the old age survivors and disability insurance program and the health insurance programs of the Social Security Act. The Commission will also examine the fiscal status of the trust funds, and more specifically, the adequacy of these trust funds to meet the immediate and long-term needs of the social security program; it will also examine the scope of coverage, the requirement for coverage, and the measurement of an adequate retirement income. This Commission will further examine the possible alternatives to the current Federal programs and the need for the development of a special consumer price index for the elderly as well as the financial impact of such alternatives. This National Commission will hold public hearings throughout the United States during its 2-year existence and will meet at least once each month.

Wilbur Cohen is eminently qualified to serve on this Commission. We Democrats call him "Mr. Social Security." He was the guiding light of President Roosevelt's Committee on Economic Security which was set up for the purpose of passing the Social Security Act. He has been an integral of the Social Security Administration from 1936 to 1956, former Secretary of the Department of Health, Education, and Welfare, former consultant on aging to the Senate Committee on Labor and Public Welfare, consultant on the impact of inflation on retired citizens to the White House Conference on Aging, and Chairman of the President's Task Force on Health and Social Security. In addition, Wilbur Cohen is an international adviser and consultant on social welfare, the recipient of numerous awards in this field, and the author of books and treatises on social security.

Robert Myers has held various actuarial positions in Government including the Committee on Economic Security, the Railroad Retirement Board, and the Social Security Administration. He has served as a consultant on social security to Republican Members of Congress, most recently during the deliberations on the Social Security Amendments of 1977. Like Wilbur Cohen, he has been associated with the American social security system from its infancy, is widely regarded as one of the world's foremost authorities on social insurance in general, and the U.S. social security system in particular, and is the author of several books on the subject.

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of title 22 United States Code, section 276d, as amended, the Chair appoints as members of the United States delegation of the Canada-United States Interparliamentary Group to be held in New Orleans the following Members on the part of the House: Mr. FASCELL, Florida, chairman; Mr. JOHNSON, California, vice chairman; Mr. GIBBONS, Florida; Mr. HANLEY, New York; Mr. MEEDS, Washington; Mr. BAUCUS, Montana; Mr. OBERSTAR, Minnesota; Mr. FOWLER, Georgia; Mr. BROOMFIELD, Michigan; Mr. MCEWEN, New York; Mr. WINN, Kansas; and Mr. STANGELAND, Minnesota.

SOCIAL SECURITY HONOR ROLL

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

SOCIAL SECURITY ONE-THIRD, ONE-THIRD, ONE-THIRD GENERAL REVENUE FUNDING—THE BURKE PROPOSAL

Mr. BURKE of Massachusetts. Mr. Speaker, today I am publishing the first list of those who's names will appear on the Social Security Honor Roll for 1978. Names will be published once a week. They are Members of Congress who have cosponsored the one-third, one-third, one-third general revenue funding legislation I have filed calling for restructuring of the social security system.

If your name is not on this list, I hope you will hasten to join because the American people are looking for a reduction in the regressive social security taxes that has caused high unemployment in this Nation in every field of endeavor—the steel industry, auto, electronic, textile, footwear, hats, handbags, bicycle, and others. The high payroll tax has been the cause of increased prices for American made goods, higher utility rates and even affects farmers in the United States.

If your name is not included on this list, it will be published next week when new Members are added to the Social Security Honor Roll.

If you have joined as a cosponsor, and your name does not appear on this list, it will be published next week when new Members are added to the Social Security Honor Roll.

The list follows:

SOCIAL SECURITY HONOR ROLL

Hon. Joseph Addabbo, New York.
Hon. Frank Annunzio, Illinois.
Hon. Edward P. Boland, Massachusetts.
Hon. Edward P. Beard, Rhode Island.
Hon. Mario Biaggi, New York.
Hon. Jonathan B. Bingham, New York.
Hon. James J. Blanchard, Michigan.
Hon. David Bonior, Michigan.
Hon. William M. Brodhead, Michigan.
Hon. Yvonne Brathwaite Burke, California.
Hon. Charles J. Carney, Ohio.
Hon. Shirley Chisholm, New York.
Hon. William (Bill) Clay, Missouri.
Hon. Silvio O. Conte, Massachusetts.
Hon. John Conyers, Jr., Michigan.
Hon James C. Corman, California.
Hon. Ronald V. Dellums, California.
Hon Ron de Lugo, Virgin Islands.
Hon. Robert F. Drinan, Massachusetts.
Hon. Joeseph D. Early, Massachusetts.
Hon. Joshua Eilberg, Pennsylvania.
Hon. Frank E. Evans, Colorado.
Hon. John G. Fary, Illinois.
Hon. Walter F. Fauntroy, District of Columbia.
Hon. Daniel J. Flood, Pennsylvania.
Hon. James J. Florio, New Jersey.
Hon. Harold E. Ford, Tennessee.
Hon. Joseph M. Gaydos, Pennsylvania.
Hon. Albert Gore, Jr., Tennessee.
Hon. Tennyson Guyer, Ohio.
Hon. Margaret M. Heckler, Massachusetts.

Hon. James M. Hanley, New York.
Hon. Michael Harrington, Massachusetts.
Hon. Agustus F. Hawkins, California.
Hon. Barbara Jordan, Texas.
Hon. Joseph A. Le Fante, New Jersey.
Hon. Edward J. Markey, Massachusetts.
Hon. Parren J. Mitchell, Maryland.
Hon. Joe Moakley, Massachusetts.
Hon. Anthony Toby Moffett, Connecticut.
Hon. Austin J. Murphy, Pennsylvania.
Hon. Morgan F. Murphy, Illinois.
Hon. Robert N. C. Nix, Pennsylvania.
Hon. Richard Nolan, Minnesota.
Hon. Edward W. Pattison, New York.
Hon. Jerry Patterson, California.
Hon. Carl D. Perkins, Kentucky.
Hon. Melvin Price, Illinois.
Hon. Charles B. Rangel, New York.
Hon. Frederick W. Richmond, New York.
Hon. Peter W. Rodino, Jr., New Jersey.
Hon. Charles Rose, North Carolina.
Hon. Benjamin S. Rosenthal, New York.
Hon. George E. Shipley, Illinois.
Hon. John F. Seiberling, Ohio.
Hon. Paul Simon, Illinois.
Hon. B. F. Sisk, California.
Hon. Fernand J. St Germain, Rhode Island.
Hon. Stephen J. Solarz, New York.
Hon. Fortney H. (Pete) Stark, California.
Hon. Louis Stokes, Ohio.
Hon. Gerry E. Studds, Massachusetts.
Hon. Frank Thompson, Jr., New Jersey.
Hon. Paul E. Tsongas, Massachusetts.
Hon. James Weaver, Oregon.
Hon. Lester L. Wolff, New York.
Hon. Antonio Borja Won Pat, Guam.
Senator William Hathaway, Maine.
Senator Don Riegle, Michigan.

SPECIAL ORDER ON PUBLIC WORKS AND PUBLIC SERVICE EMPLOYMENT

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, on Thursday of this week I am scheduling a special order to consider the effects of the public works and public service employment programs on the national economy and on the economic and governmental relations climate of our own districts. When these programs first went into effect we had serious problems with them. The President recommended and Congress accepted an expansion of these programs as a large part of his $10 billion economic stimulus proposals at the beginning of this Congress. It was alleged that we had reformed the problems out of these programs when the stimulus package was enacted, and at least a substantial part of the package is likely to be extended or reenacted in revised form this year. Before we assume success, as the President did in his state of the Union message, from the improvement of the economy, I hope my colleagues will find time to check the statistics and compare their own experiences. My special order is an invitation to start this process, and I hope many will participate.

TRIBUTE TO FRANK CULLEN BROPHY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Arizona lost one of the pioneer guiding forces in the development and growth of our State last Friday, with the passing of Frank Cullen Brophy at the age of 83.

In addition to his leadership in Arizona's banking industry, and in mining, produce sales, ranching, and farming, Mr. Brophy was a generous philanthropist who furthered education and health care for our people. He was an early and firm supporter of Arizona political leaders who have also been dominant on the national scene.

Mr. Speaker, it is a mark of this gentle, creative, and energetic man's great contribution to Arizona that tributes to him have been forthcoming throughout this past weekend from every quarter of our State's leadership and citizenry.

A front-page story in the Arizona Republic, the State's largest statewide newspaper, and a column eulogizing Mr. Brophy by that paper's highly respected editor, Frederick S. Marquardt, are indicative of the reverance for this truly great Arizonan.

I feel a great personal loss at the passing of Frank Cullen Brophy, who it was my privilege to know as a friend and counselor.

I know that I speak for his many friends and admirers in Arizona and throughout the Nation when I say that Frank Brophy will be sorely missed. We are thankful for what he gave us throughout his life, and for his great family that will carry on the proud Brophy tradition.

INDIVIDUAL TAX RELIEF ACT OF 1978

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, last week Treasury Secretary Blumenthal appeared before the Ways and Means Committee to present the administration's tax proposals. The Secretary's statement and his responses to questions posed by myself and other members of the committee brought to light the need for certain additional modification to the tax code and the way it is administered.

Therefore, I am today introducing the Individual Tax Relief Act of 1978 which will make certain that taxpayers are not overtaxed due to inflation and will restore an element of fairness to the administration of the Internal Revenue Code.

Specifically the bill will:

First. Provide for an annual inflation adjustment to the income tax tables and exemption;

Second. Provide for the payment of interest to taxpayers at 6 percent on the amount by which their withholding exceeds actual tax liability;

Third. Provide a $100 tuition tax credit per household for attendance at elementary, secondary or vocational schools or at an institution of higher learning;

Fourth. Forgive all of the capital gain on the sale of a principal residence for taxpayers who have reached the age 65; and

Fifth. Exclude from income the first $100 of interest.

As a recent Roper poll has indicated, approximately 64 percent of the American taxpaying public feels the tax system is unfair. The Individual Tax Relief Act of 1978 will help to restore fairness and the respect of taxpayers for the system.

COMMUNICATIONS ACT AMENDMENTS OF 1978

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7442) to amend the Communications Act of 1934 to provide for the regulation of utility pole attachments, with a Senate amendment to the House amendment to the Senate amendment thereto, recede from House amendments Nos. 1, 2, and 3, and concur in the Senate amendment to House amendment No. 4.

The Clerk read the title of the bill.

The Clerk read the House amendments to the Senate amendment, as follows:

Page 1, strike out all after line 4 over to and including line 8 on page 7.

Page 7, line 9, strike out "SEC. 5.", and insert *Sec. 2.*

Page 7, line 13, strike out SEC. 5 and insert *Sec. 3.*

Page 10, strike out all after line 6 over to and including line 12 on page 11.

The Clerk read the Senate amendment to House amendment No. 4, as follows:

Resolved, That the Senate disagree to the amendments of the House of Representatives numbered 1, 2, and 3 to the amendment of the Senate to the bill (H.R. 7442) entitled "An Act to amend the Communications Act of 1934 to provide for the regulation of utility pole attachments.".

Resolved, That the Senate agree to the amendment of the House of Representatives numbered 4 to the amendment of the Senate to the above-entitled bill with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House of Representatives numbered 4 to the amendment of the Senate insert:

SEC. 7. The amendments made by this Act shall take effect on the thirtieth day after the date of enactment of this Act; except that the provisions of sections 503(b) and 510 of the Communications Act of 1934, as in effect on such date of enactment, shall continue to constitute the applicable law with respect to any act or omission which occurs prior to such thirtieth day.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I would ask my friend and colleague from California if this is the same bill that was sent over by unanimous consent last week?

Mr. VAN DEERLIN. It is.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, could my colleague indicate what has happened over there? Did it come back in substantially the same form?

Mr. VAN DEERLIN. Mr. Speaker, if the gentleman will yield further, no. The troublesome amendment the Senate had added is one that dealt with international common carrier communications. The House has held no hearings on this matter. There has been no action by the House of any kind. The Senate sent the bill back with one amendment intact. It

authorizes the Federal Communications Commission to impose penalties and forfeitures on cable operators for violation of FCC regulations and raises the ceiling on fines for other licensees, such as broadcasters and land mobile operators.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, is the latter amendment a new amendment that was attached in the Senate?

Mr. VAN DEERLIN. If the gentleman will yield, it is an amendment which was not in the House bill. It went over to the Senate late last year. It is precisely the same amendment that was part of the language of a House bill that failed to get to the floor in the last week of the 94th Congress.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, there is nothing that is nongermane that has been attached to this amendment or in any other way has changed the House position?

Mr. VAN DEERLIN. In specific response to the gentleman, I would have to say that the amendment that the Senate has left on the bill, which is satisfactory to the committee on this side, is nongermane to the subject of the bill sent over by the House. The Senate has exercised its prerogative of nongermaneness, and we are willing to accept its language in order to move the legislation.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

Mr. CARTER. Mr. Speaker, reserving the right to object, I would like to ask the nature of this nongermane amendment attached by the Senate, if you please.

Mr. VAN DEERLIN. Mr. Speaker, if the gentleman will yield, the major portion of the legislation goes to granting cable operators of the Nation a forum at the Federal level for the resolution of pole attachment disputes.

The amendment that the Senate has attached grants the Federal Communications Commission the right to impose, as it now has the right to impose on broadcasters, penalties and forfeitures against cable operators who violate FCC rules and regulations.

Mr. CARTER. Mr. Speaker, further reserving the right to object, I would say that I have closely followed cable television. There are a great many cable television, companies throughout our country. I see an increasing tendency of them to be gathered together under one group. In fact, I submit, Mr. Speaker, that within the next few years, just as we have only 3 major T.V. broadcasting companies, it is extremely likely that we will have only two or three major cable television companies.

Further, Mr. Speaker, I would say that in instances in which cable television companies have purchased recently, and in the district I represent, immediately after purchase up goes the price.

Mr. Speaker, I am alarmed at what is going on in this area, and I would like the Members of this body to take cognizance of what is really going on in my home town. The cost per month of cable television went up from $6 to $7.25. In Casey County, immediately after purchase by another company, again the cost went up $1 per month. In Knox County, further east in the district, the cost went up more.

Mr. Speaker, I want to see the people of our country served and served as reasonably as possible, but I do not want to see them ripped off. With the promise of the distinguished gentleman from California, the chairman of the Communications Committee, that he will see to it that they are not ripped off, I will not object.

Mr. VAN DEERLIN. Mr. Speaker, I grant the gentleman that assurance.

Mr. CARTER. The gentleman gives me that assurance.

Mr. Speaker, I have been noticing this. I would ask that the gentleman take this up with the FCC, to see that our people are not exploited by large companies. Furthermore, Mr. Speaker, I would ask the gentleman to see that all of the cable television companies are not gathered together into one huge combine.

Mr. Speaker, do I have that promise?

Mr. VAN DEERLIN. Mr. Speaker, let me assure the gentleman from Kentucky (Mr. CARTER) that I have been thinking along those lines mvself, and the gentleman's words will be helpful to us in bringing this matter to the attention of both the Commission and the cable television industry.

Mr. CARTER. With that assurance, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

GRAND CANYON SCHOOL DISTRICT

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2076) to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Grand Canyon National Park, Ariz., to the Grand Canyon Unified School District, Ariz., and for other purposes, as amended.

The Clerk read as follows:

S. 2076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior (hereafter referred to as the "Secretary") is authorized for the two-year period commencing October 1, 1978, and ending September 30, 1980 to make payments to reimburse the appropriate school district or districts (hereafter referred to as the "districts") for educational facilities and services (including, where appropriate, transportation to and from school) incurred by said districts in providing educational benefits to pupils living at or near the Grand Canyon National Park upon real property owned by the United States which is not subject to taxation by State or local agencies: Provided, That the payments for any school year to said districts shall not exceed that part of the cost of operating and maintaining such facilities and providing such services which the number of pupils as defined above bears to the whole number of pupils in average daily attendance within said districts for that year.

(b) If in the opinion of the Secretary of the Interior, the aforesaid educational facilities and services cannot be provided adequately and payment made therefor on a pro rata basis, as prescribed in subsection (a), the Secretary of the Interior may enter into cooperative agreements with State or local agencies for (1) the operation of school facilities, (2) for the construction and expansion of educational facilities at Federal expense, and (3) for contribution by the Federal Government, on an equitable basis satisfactory to the Secretary, to cover the increased cost to local agencies for providing the educational services required for the purposes of this section: *Provided,* That authority to make payments under this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

(c) The Secretary shall submit an annual estimate of the anticipated payments which may be made in accordance with the provisions of this Act to the Committees on Appropriations of the United States Senate and House of Representatives. There are authorized to be appropriated an amount not to exceed $1,500,000 for fiscal year 1979 and an amount not to exceed $1,500,000 for fiscal year 1980 to carry out the provisions of this Act: *Provided,* That any appropriations made pursuant to this Act shall be reduced by the amount of any payments made to said districts pursuant to the Acts of September 23, 1950 (64 Stat. 906), as amended (20 U.S.C. 631 et seq.), and September 30, 1950 (64 Stat. 1100), as amended (20 U.S.C. 236 et seq.). Any amount appropriated pursuant to this Act for any fiscal year shall remain available until expended.

The SPEAKER. Is a second demanded?

Mr. ASHBROOK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. ASHBROOK) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I discuss the specific provisions of the bill, let me state to the House that I do not intend to ask for a record vote on this legislation. I do this because of the severe storm which has paralyzed much of the Midwest and the Northeast. A number of our colleagues are unable to get here today by plane or other transportation.

I would hope that, with our limited schedule today, we would not make it difficult for our colleagues who might

be forced to miss rollcall votes. Many of our most conscientious Members are, through no fault of their own, in a position which makes it impossible for them to be here today.

Mr. Speaker, the Grand Canyon Unified School District is located within the Grand Canyon National Park. Because of this, a large percentage of the children who attend the school come from families of National Park Service employees or concessionaire employees who live on nontaxable Federal land, and therefore do not contribute to the financial base of the school district.

The legislation that is before the House today, S. 2076 as amended, was ordered reported by the full Interior Committee by voice vote on Novembr 29, 1977. The Senate passed the measure by unanimous consent on September 9 of last year.

The purpose of the legislation is to allow the Grand Canyon School District, severely strapped for operating funds, to attain solvency by authorizing the Secretary of Interior to reimburse the school district for educational services rendered to dependents of Park and Park-related employees.

This, to me, seems to be the only fair solution to this very complex problem. Over 90 percent of the children who attend the school are dependents of people who pay no property taxes, so the remaining 10 percent are, in effect, subsidizing the education of these remaining Federal and concessionaire employees. Without this legislation, I fear that the viability of the school district is threatened. The physical plant of the school is in serious disrepair and the present curriculum operates at bare minimum. Recent estimates by the National Park Service indicate that the situation will be worsening, with the school district population projected to more than double in the next 5 years. These increases, for the most part, will be from the families of National Park Service employees.

The superintendent of the school district, Dr. Thomas Caldwell, has explored every other possible avenue of relief before coming to the Congress for help. Consolidation with the Williams School District 65 miles away was explored, but because of the great distance involved and because the Williams School District was unwilling to increase their tax burden substantially, this alternative was dropped. Another alternative that was explored without success was to dissolve the Grand Canyon School District altogether and bus the children 80 miles away to the Flagstaff Public Schools. Because of the severe winter climate of northern Arizona, a 160-mile round trip to school every day by children in grades K–12 is impractical and dangerous. One other option that was explored was the feasibility of having Park Service and concessionaire employees children sent off to boarding schools every fall. This seems to me to be the most unacceptable approach not only from a financial viewpoint but from an ethical one, also.

The people of the Grand Canyon School District have done more than their fair share with the limited funds available to them to try to keep the school alive. Without this legislation the very few taxpayers on whose shoulders the responsibility for the upkeep and maintenance of the school rest will be forced to pay unrealistically high taxes to the point where the facility will be forced to close. As the only unified school district (K–12) in America within a national park, the need and uniqueness of this problem requires special legislation.

As Senator CLAIBORNE PELL, chairman of the Education, Arts and Humanities Subcommittee said after personally touring the school this past summer:

> I also saw the condition of the school buildings which was not good, and I learned about the financial situation which faced the school administration, which was worse. There are many schools in the United States which face financial difficulties; however, this case is special in a number of ways, and if we do not act upon this bill then this district will simply not be able to serve the students in that area. This would happen in spite of the fact that the parents of those children already pay some of the highest school taxes in the Nation.

In conclusion, I urge the Members of the House to vote favorably on this desperately needed piece of legislation, so that the children living in this area will at least have the opportunity to pursue a decent level of education.

Mr. PERKINS. Mr. Speaker, if the chairman of the committee will yield to me for a minute, I would like to ask him several questions about S. 2076 as reported by his committee.

Mr. UDALL. I will be pleased to yield to the gentleman from Kentucky.

Mr. PERKINS. At the beginning, I would like to state for the record that the gentleman from Arizona (Mr. UDALL) and I discussed this bill last Monday when it was supposed to be voted on by the House under suspension of the rules; and, after I expressed to the chairman a number of the concerns that some of us on the Education Committee had with this bill as it was amended in the Interior Committee, the chairman very graciously withdrew that bill from consideration and offered to discuss it further with us last week.

I am pleased to report to the House that the chairman of the committee has modified his bill to meet the concerns we had with it as it was reported by the Interior Committee. The first major concern we had was that the bill as reported created a permanent authorization to provide general operating funds to one school district in the country. We feared that, as with many permanent authorizations, this authority would never be looked at again after it was signed into law. I am pleased to report that the chairman modified the bill to make this into a limited 2-year authorization so that the Congress will have to review the wisdom of this provision within the next 2 years.

The other major concern we had was that the original Senate bill which took the revenues from the concessions operated in the Grand Canyon National Park and earmarked them for the benefit of the Grand Canyon School District was modified by the House Interior Committee to create instead an open-ended authorization of appropriations from general government revenues for the benefit of that school district. We, on the Education Committee, could possibly understand earmarking revenues from contracted concessions in a national park for a particular purpose if there were very unusual circumstances, but we had difficulty understanding drawing funds from the general treasury for this purpose.

Therefore, regarding this concern, I would like to ask the chairman of the committee whether it is his understanding that this bill, if it is to become law, will be within the oversight responsibility of the Committee on Education and Labor so that the Committee can propose amendments to it if necessary in the future.

Mr. UDALL. I would like to assure the gentleman that it is the understanding of the Committee on Interior and Insular Affairs that the Committee on Education and Labor will have oversight responsibility for this bill when it becomes law and that the Education and Labor Committee will also have the right under the rules of the House to propose amendments to it.

In turn, I would like to ask the gentleman from Kentucky whether he will take it upon himself as chairman of the Education Committee to delve further into the situation in which the Grand Canyon School District finds itself so that if, in fact, that school district needs a long-term solution to its problems the gentleman will take it upon himself to propose such a solution in the Education Amendments of 1978 which I understand is going to be reported from his committee this year.

Mr. PERKINS. I can assure the gentleman from Arizona that as a member of the Education Committee I will learn more about the situation of this school district and will try to propose an amendment to deal with its problems if those problems are as severe as the chairman and the Interior Committee seem to believe.

Mr. UDALL. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to associate myself with the comments of my colleague from Arizona concerning the Grand Canyon National Park School Aid Act that is now before us. This legislation is designed to provide educational benefits, and indeed, basic education opportunities, to those students served by the Grand Canyon Unified School District in Arizona.

The reason for this bill is the school district's financial crisis which developed because approximately 50 percent of the students attending Grand Canyon schools have parents employed by the National Park Service. As such, they are excluded from the State and local tax base which supports the school district. Since the Grand Canyon School District is wholly contained within the borders of a national park, it is incumbent upon

Congress to act in such a way as not to deny adequate education for children in this area.

Because of the deteriorating finanical situation in the school district and the effect this is having on the students of the Grand Canyon School System, I urge prompt passage of this measure.

Mr. UDALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. STUMP).

Mr. STUMP. Mr. Speaker, like many school districts, the Grand Canyon School District is in need of financial assistance. However, unlike many school districts, the financial assistance needs of the Grand Canyon School District are unique in that they require congressional action.

The school district is unique in that it is the only school district located wholly within the boundaries of a national park which provides a kindergarten through 12th grade education for 285 children. Approximately 90 percent of the student population makes no contribution to the financial base of the school district because their parents are Federal employees or concessionnaires residing on Federal property. Therefore, a large burden is placed on the few taxpayers who own property within the school district.

The condition of the school facilities are poor and inadequate, and seriously restrict the curriculum. The school has been cited for not complying with certain aspects of the North Central Accreditation requirements, and is in jeopardy of losing its accreditation.

Alternatives to Federal financial assistance have been studied by the Grand Canyon Board of Education. The alternatives would either place a much higher funding burden on the district, or require the students to be bused 150 miles to another school district. Both alternatives are unrealistic, and would lead to the closure of the school.

There has been a long history of Federal involvement in the school district. The school came into existence and now exists because of the Grand Canyon National Park. Federal funds have been used for the construction of the school buildings since 1921, and for the maintenance of those buildings until 1964, when the Grand Canyon Board of Education was given the responsibility of maintenance.

To insure the continued operation of the school district, and provide the necessary construction and maintenance of the educational facilities, S. 2076 authorizes the Secretary of Interior to make payments annually to the Grand Canyon School District from appropriations of the general fund. Because of the large number of students whose parents are Federal employees and are connected with the Grand Canyon National Park, the Federal Government should be responsible for the future financial viability of the Grand Canyon School District.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill S. 2076, now under consideration.

The SPEAKER pro tempore (Mr. GIAIMO). Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I have no further requests for time.

Mr. ASHBROOK. Mr. Speaker, I yield myself such time as I may consume.

I would like to ask my colleague, the gentleman from Arizona (Mr. UDALL), several questions.

I listened to the colloquy of the chairman of my full Committee on Education and Labor. I was not quite sure how it came out.

As I understand it, Mr. Speaker, the gentleman from Kentucky (Mr. PERKINS) indicated that he would like to have a 2-year trial on this and then bring it back for review.

What is the situation in the bill? As I understand it, it is a permanent piece of legislation, is it not?

Mr. PERKINS. If the gentleman would yield, Mr. Speaker, we certainly support the legislation, which was agreed to both by the gentleman from Michigan (Mr. FORD), who can speak for himself and myself. However, we do not expect to wait 2 years for oversight. We will commence the oversight consideration this year, and there will be oversight next year.

Mr. Speaker, this is a special problem, and I think it has much merit. I want to compliment the gentleman from Arizona (Mr. UDALL) for moving in this direction.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, the motion I made to suspend the rules was with respect to the bill as amended by the committee, plus an amendment that I had printed in the RECORD, which ended this open-end authorization.

Mr. ASHBROOK. For 2 years, as I understand; is that correct?

Mr. UDALL. For 2 years; it will expire in 2 years.

Mr. ASHBROOK. This is a piece of legislation which deals with only one school district; is that correct?

Mr. UDALL. Yes. It is a very unique and unusual district, totally within the boundaries of the Grand Canyon National Park; and most of the students are children of park employees. It is also 80 miles from the nearest school to which they might go. Therefore, we have some special problems.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, on behalf of the committee, I raised a question with the chairman, the gentleman from Arizona (Mr. UDALL), when the bill was up on suspension the last time, about the fact that this seemed to be a peculiar and very special kind of change in the concept of Federal impact. As a result, he graciously pulled the bill back until we had an opportunity to discuss it.

They have an immediate problem with this school district; and if they have to wait until we act on the impact aid legislation that will be acted on this year, they could miss the opportunity for an appropriation in the current fiscal year. Therefore, there was an understanding reached that the legislation would be changed from a permanent authorization to a 2-year authorization, which will still require a specific appropriation, I might say to the gentleman from Ohio.

In the meantime, we are under the gun, in effect, on the Committee on Education and Labor to reenact the impact aid program during this session of Congress; and it would be our intention to take into account the special kind of considerations that are urged for the Grand Canyon school system to see whether we can accommodate them.

I might say, for example, to the gentleman that if he will look at the report accompanying the bill, the gentleman will see that the Department of the Interior has already drawn attention to the fact that the county in which the school district lies received $500,000 last year from legislation that we passed to soften the impact of a big Federal presence, the ownership of most of the land in a particular area, and they have not chosen to share any of that money with the school district. Perhaps we might be able to work out an arrangement so that in the future that money will be divided in some way with the school district.

But, in any event, the gentleman from Arizona (Mr. UDALL) and the Department of the Interior have agreed to cooperate with the Committee on Education and Labor. We hope to work it out so that we do not set a precedent for everyone with special school districts with special problems desiring to pass special laws.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague, the gentleman from Michigan (Mr. FORD), for saying that he hopes we will not set a precedent, however I think that some of us may feel that we may very well be setting a precedent. Further, Mr. Speaker, this seems to run contrary to the President's proposal to cut down on what might be called impact aid to schools.

By any fair evaluation would my friend and colleague the gentleman from Michigan (Mr. FORD) say that this is an impacted school district in the Grand Canyon?

Mr. FORD of Michigan. They are receiving impacted aid of some $300,000, as a matter of fact, a year, but they only receive impacted aid payments for the children of Federal Government employees. It is just simply a case of some very special circumstances where the Federal Government in effect does accept an activity that produces civilian employees in areas such as in this case.

I might add that it never came to our committee. It got in the other committee because it was a bill intended to provide some of the receipts from the concessionaires to the local school district in lieu of taxes and then it got changed in the other committee to where it resembles more of an educational bill and not

quite an earmarking of special funds bill in the Interior Department.

All we are trying to do is work out something without jeopardizing the current status of the school system, or give them at least 1 year, depending upon what they can justify in the Committee on Appropriations, the one and a half million dollars, and thereafter we should dispose of it in the treatment of the impact aid program.

Mr. ASHBROOK. I thank my colleague for his statement. I think this is probably an effort to accommodate either an amendment in a special situation, or a State, but I think by any fair evaluation that this is something that should be in the jurisdiction of the committee on education and labor. I am particularly concerned since the concessionaires, as I understand it, are not Federal employees, as to whether we are really in effect going one level beyond, that is, impacting these kind of employees in what might be a Federal enclave in a Federal park, or a military base.

Mr. FORD of Michigan. I might say to my friend and colleague the gentleman from Ohio (Mr. ASHBROOK) that this is not entirely new, if the gentleman will yield further to me. One of the sad things we did with impacted aid in years gone by arose where we had war production plants with lot of war workers who came there from many different parts of the country during the early days of impacted aid, because these war production and other related plants attracted people as I say from other parts of the country in large numbers without attracting a tax base with them, and impact aid was used to facilitate the expansion of the local school systems to accommodate the children of these civilian employees of a federally inspired activity.

We do recognize that there are peculiar problems when we get into a situation where the Federal Government owns all the land in sight, does all of the functions that a local government normally does, because most of the land is a national park, has all sorts of employees and employee relationships, as well as contractual relationships with people who in turn bring employees to perform that function that would not be there, as a matter of fact, except for the Federal ownership and use of the land. I do not view this as a potential large opening in the impact aid bill. Frankly, I would be pleased if I saw this as an excuse to get more impact aid, but I do not really see it that way at all. I think that what started out as a very logical sort of process in the Interior Committee got switched around along the way and that they are recognizing that the jurisdiction for any kind of permanent legislation to meet this situation ought to come from our committee. That is what we are trying to work out. I would suspect that the effect of this bill would be limited to this year and that before it would have any effect on ensuing school years we would have changed the impact aid law.

Mr. ASHBROOK. I thank my friend and colleague for that very fine explanation.

Mr. Speaker, I reserve the remainder of my time.

Mr. UDALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ), our ranking minority member.

Mr. SKUBITZ. Mr. Speaker, I understand that Mr. UDALL will propose an amendment which will place a 2-year cap upon this legislation and if this is done—I support this bill.

Mr. UDALL. If the gentleman will yield, let me say to the gentleman that that amendment is before the House, and the bill will not be passed unless the amendment is included.

Mr. SKUBITZ. I thank the chairman.

However, I must advise the committee that Mr. BAUMAN, who is chairman of the subcommittee that handled this bill, objects to the bill as I did in its original form. What his view might be today I do not know.

Mr. Chairman, heretofore, it has been recommended that special circumstances within the Grand Canyon National Park required special action by the Congress if the children within the park were to be assured adequate educational opportunities.

Because of its location within the park, most of the children attending the Grand Canyon Unified School District come from families of National Park Service employees, and the employees of the concessionaires who live on nontaxable Federal land. It has been estimated that 90 percent of the student population make no financial contribution to finance the school district.

Thus, the burden of operating the school falls heavily on the few people who own property within the park.

And of the few property owners, the primary taxpayer, is the Santa Fe Railroad which has not run a train to the Grand Canyon in several years, and recently has removed some spur tracks. I understand the railroad is contemplating removing the tracks entirely.

If this happens, the right-of-way becomes untaxable Federal land, thus dealing a crushing blow to the remaining taxpayers who would make up the loss.

In addition, the Havasuopee Tribe has expressed a desire that their children attend the Grand Canyon School as it is the school nearest their aboriginal home.

Without legislation, the future financial viability of the school district, is threatened.

This bill provides:

A. That the Secretary of the Interior make payments from appropriated money to assist the Grand Canyon School District in providing adequate facilities. However, the payments made to the school district are not to exceed that part of the cost of operating and maintaing the facilities.

Would authorize the Secretary to make pyaments in addition to those authorized in paragraph A:

For the operation of school facilities and the construction and expansion of additional facilities on an equitable basis satisfactory to the Secretary.

That authority to make payments under this subsection, shall be effective only, to the extent provided in advance, in appropriation acts.

As recommended by the committee S. 2076 would be amended to make it clear that all payments would be made from appropriations from the general funds of the Treasury rather than from franchise fees derived from the Treasury from concession operations in the park.

If the Udall amendment places a cap of 2 years on the bill, this give the Interior Committee and the Education Committee time to work out a more satisfactory solution to the problem.

Mr. UDALL. Mr. Speaker, I yield back the balance of my time and ask for a vote on the motion.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the Senate bill S. 2076, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title was amended so as to read: "An act to authorize the Secretary of the Interior to make payments to appropriate school districts to assist in providing educational facilities and services for persons living within or near the Grand Canyon National Park on nontaxable Federal lands, and for other purposes.".

A motion to reconsider was laid on the table.

MEDICAID INCREASES IN PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

Mr. ROGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9934) to mend the Social Security Act to increase the dollar limitations and Federal medical assistance percentages applicable to the medicaid programs of Puerto Rico, the Virgin Islands, and Guam.

The Clerk read as follows:

H.R. 9434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ADJUSTMENT OF DOLLAR LIMITATION ON MEDICAID PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

SECTION 1. (a) Subsection (c) of section 1108 of the Social Security Act (42 U.S.C. 1308(c)) is amended to read as follows:

"(c) The total amount certified by the Secretary under title XIX with respect to—

"(1) the fiscal year ending September 30, 1978, for payment—

"(A) to Puerto Rico shall not exceed $50,000,000,

"(B) to the Virgin Islands shall not exceed $1,600,000, and

"(C) to Guam shall not exceed $1,475,000;

"(2) the fiscal year ending September 30, 1979, for payment—

"(A) to Puerto Rico shall not exceed $60,000,000,

"(B) to the Virgin Islands shall not exceed $2,000,000, and

"(C) to Guam shall not exceed $1,800,000; and

"(3) each subsequent fiscal year, for payment to Puerto Rico, the Virgin Islands, and Guam shall not exceed the amounts specified in subparagraphs (A), (B), and (C), respectively, of paragraph (2) increased by a percentage equal to the percentage increase in the Consumer Price Index (published monthly by the Bureau of Labor Statistics of the Department of Labor) between Octo-

ber 1, 1979, and the first day of such fiscal year.".

(b) The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1977.

ELIMINATION OF SPECIAL LIMITATION ON THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE FOR PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

SEC. 2. (a) The first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended—

(1) by striking out "(1)", and

(2) by striking out ", and (2)" and all that follows through "shall be 50 per centum".

(b)(1) Except as provided in paragraph (2), the amendments made by subsection (a) apply with respect to care and services provided, under a State plan approved under title XIX of the Social Security Act, in a calendar quarter beginning after September 30, 1978.

(2) Each of the agencies administering or supervising the administration of the State plan, approved under title XIX of the Social Security Act, for Puerto Rico, the Virgin Islands, or Guam may elect not to have the amendments made by subsection (a) apply to any care or services provided in its jurisdiction to an individual over a period of time beginning before October 1, 1978, and ending after October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. CARTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. ROGERS) will be recognized for 20 minutes and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill would increase the maximum amount of Federal dollars which can be spent to support the medicaid programs of Puerto Rico, Guam, and the Virgin Islands. These jurisdictions have traditionally received treatment under the Social Security Act which is different from that of the States. Although the general structure of the medicaid program is one where Federal matching funds are available for whatever level of expenditures a State finds necessary to run an adequate medicaid program, ceilings have been placed on the amount of Federal support which is available to assist these jurisdictions in their medical assistance programs for the poor. These ceilings were established in 1967, soon after enactment of medicaid. They were increased to their present level in 1972, when they were set at a maximum of $30 million for Puerto Rico, $1 million for the Virgin Islands, and $900,000 for Guam. Since that time, inflation in the cost of medical care has been high. Hospital expenditures have increased so rapidly that they double approximately every 5 years. Over the past several years, the medical care price index has increased at rates close to 10 percent annually. Erosion in the amount of Federal support in real dollars for the jurisdictions has clearly occurred. In fact, the amount of Federal dollars available today in constant terms is less than 60 percent of what it was when the ceilings were established.

This bill would provide the adjustments necessary to restore the level of actual Federal support that the Congress last approved. It would double the ceiling on Federal expenditures for fiscal year 1979, so that $60 million in matching funds would be available to Puerto Rico, $2 million to the Virgin Islands, and $1.8 million to Guam. In order to provide more immediate relief, fiscal year 1978 ceilings are also increased for the portion of this fiscal year which is remaining. Finally, to protect against the ceilings becoming insufficient again in several years, an automatic adjustment in the ceiling is provided for in fiscal year 1980 and fiscal years thereafter. The ceiling will be increased automatically by the same percentage as the consumer price index increases.

This legislation also provides that the Federal matching rate for the jurisdictions will be determined in the same manner as the Federal matching rate is established for the medicaid programs of the States and the District of Columbia. The medicaid program has generally been designed to provide relatively greater Federal assistance to areas which have limited resources. The Federal matching rate for medical assistance is variable, with a minimum rate of 50 percent and a maximum rate of 83 percent, with the higher matching rate being provided to States with low per capita incomes. However, although the per capita income in the jurisdictions has clearly been low relative to most States, nonetheless the Federal matching rate for Guam, Puerto Rico, and the Virgin Islands has been limited by law to 50 percent. The Committee on Interstate and Foreign Commerce is convinced that the same rationale for higher Federal matching rates for States with low per capita incomes is also persuasive in the case of the jurisdictions. Eliminating discriminatory treatment of the jurisdictions in the determination of their Federal medical assistance percentages will result in matching rates of 81.87 percent for Guam, 83 percent for Puerto Rico, and 74.6 percent for the Virgin Islands. The absolute dollar ceilings on Federal expenditures would continue to be effective. However, to claim its full $2 million ceiling, for example, the Virgin Islands would be required to spend only $667,000 in its own funds rather than $2 million, an amount more nearly within its economic capability.

The increasing cost of medical care, the limited economic base of the jurisdictions, the desirability of an adequate medicaid program, and the essential fairness of more equitable treatment for the jurisdictions all argue for the changes reported in this bill. I urge the Members to support it.

Mr. DE LUGO. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the Delegate from the Virgin Islands.

Mr. DE LUGO. Mr. Speaker, I thank the gentleman from Florida for yielding.

Mr. Speaker, I rise in support of H.R. 9434, legislation I have cosponsored to double the total amount of Federal medicaid funds for the Virgin Islands from $1 to $2 million annually and to lift the current restrictions on the matching formula for territorial participation in the medicaid program.

The purpose of this legislation, which was reported by an overwhelming margin by the House Committee on Interstate and Foreign Commerce, is to guarantee equal protection under the law by extending to the U.S. citizens of the Virgin Islands the same rights and benefits under the Federal medicaid program already enjoyed by citizens of the several States and the District of Columbia. This bill is in line with action taken by the House last year with respect to other public assistance programs in H.R. 7200, currently pending floor action in the Senate. Moreover, it is in accord with the principles of equitable treatment of the territories adopted by President Carter in the administration's welfare reform proposal.

Under the discriminatory provisions of the present law, the Virgin Islands is forced to suffer reduced levels of health care services for our low-income citizens, as well as an ever-increasing financial burden that is disproportionately higher than that of individual States. While doubling the amount of Federal medicaid funds and allowing the matching rate to rise to the State level will enable the Virgin Islands to finance much needed and long delayed improvements in its health system, HEW has estimated that additional Federal expenditures for the Virgin Islands under this bill will cost a bare $600,000 in fiscal year 1978 and a bare $800,000 in fiscal year 1979.

Mr. Speaker, I would like to commend chairman of the House Commerce Subcommittee on Public Health, PAUL ROGERS, for his outstanding leadership on this legislation and for the generous amount of time he has spent in helping to insure equal treatment for our U.S. citizens in our offshore areas. I would also like to thank Congressman TIM LEE CARTER, the ranking Republican member on the subcommittee, for making this a truly bipartisan effort.

I urge the Members of this House to follow the lead of Chairman ROGERS and Congressman CARTER in promoting better health care for all of our citizens by voting for this important legislation.

Mr. Speaker, I would like to commend the gentleman from Florida (Mr. ROGERS), chairman of the Health and Environment Subcommittee of the Committee on Interstate and Foreign Commerce for his outstanding leadership on this legislation and for the generous amount of time he has spent to insure equal treatment for our U.S. citizens in our offshore areas.

I also would like to thank the gentleman from Kentucky, Congressman TIM LEE CARTER, the ranking Republican member of the subcommiteee, for making this a truly bipartisan effort.

PERMISSION FOR SUBCOMMITTEE ON GOVERNMENT ACTIVITIES AND TRANSPORTATION OF GOVERNMENT OPERATIONS COMMITTEE TO SIT DURING 5-MINUTE RULE TODAY

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Activities and Trans-

portation of the Committee on Government Operations be permitted to sit while the House is in session today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore (Mr. GIAIMO). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Speaker, I reserve the balance of my time.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this legislation, H.R. 9434. It provides increased Federal assistance under medicaid for Puerto Rico, Guam, and the Virgin Islands, whose residents are citizens of the United States.

As it happens, Mr. Speaker, these people are very poor. Sixty-two thousand families in Puerto Rico have no visible means of support. Up until this time, under title 19, $30 million has been given to Puerto Rico to assist in caring for the sick. As we know, total Federal spending on health care has tripled in the past decade. It has increased at the rate of no less than 10 percent per year, over the last decade.

It is absolutely necessary, if we are to help these people, that our Federal medicaid contribution be increased; and that is what this legislation does. H.R. 9434 provides that by fiscal year 1979 our contribution to Puerto Rico will increase from $30 to $60 million; for Guam, from $900,000 to $1.8 million; and for the Virgin Islands from $1 to $2 million.

Mr. Speaker, in addition to raising the current ceilings this bill would permit the Federal matching rate to be determined by the same formula as that which applies to our States.

So rather than the present mandatory 50 percent matching rate, Puerto Rico, Guam, and the Virgin Islands would be able to receive a Federal match based on per capita income. The resulting rates would be as follows in fiscal year 1979:

Puerto Rico: Federal match of 83 percent.

Guam: Federal match of 81.87 percent.

Virgin Islands: Federal match of 74.6 percent.

Mr. Sepaker, this legislation is vital and necessary. Many of the States in our country which are poor have a like contribution, or almost as much, as that which will be given to Puerto Rico or to Guam or to the Virgin Islands. For us to deny health care to the poor of these islands, whose residents are citizens of the United States, would indeed not be compassionate.

I strongly support this legislation, Mr. Speaker.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, I agree with all that was said about the medicaid need. We have talked much here about the increasing needs that do exist, but we have not talked about the tax contribution that we get from these particular areas. What concerns me is the fact that Puerto Rico, Guam, and the Virgin Islands contribute nothing in the way of taxation to the Federal Government.

As I understand it, in Puerto Rico they pay no income tax, no Federal income tax. In Guam and the Virgin Islands, they pay the Federal income tax but it is rebated back to the territorial government. In addition to that, we send back the money that they have paid from excise taxes. In fact, I was interested to see in Puerto Rico that we returned $180 million net—that is, after deduction of expenses—for the importation and excise taxes last year. Puerto Rico got a $180 million tax refund.

So, we have a situation here where these people pay no Federal taxation. We are talking about compassion, but everybody else pays Federal taxes and they do not.

I dissent from the action of the full Committee on Interstate and Foreign Commerce in reporting H.R. 9434, which increases the dollar limitations and Federal medical assistance percentages applicable to the medicaid programs of Puerto Rico, the Virgin Islands, and Guam.

My opposition is not meant to evince a lack of concern for certain problems respecting medical assistance in those jurisdictions. However, I am somewhat skeptical of conferring upon these jurisdictions certain additional benefits normally flowing from statehood without corresponding obligations. Indeed, it should be pointed out that individual income taxes of their citizens do not support the Federal share of the medicaid match.

Nevertheless, the primary reason for my opposition is the fiscal impact of this measure. Ceilings on Federal matching funds available for the jurisdiction will be doubled in fiscal year 1979 over the current level and the fiscal year 1978 ceiling would be increased on a proportionate basis to provide for the last three-quarters of that period. For fiscal years after fiscal year 1979, the ceiling would be increased automatically by the percentage increase in the Consumer Price Index. Further, the Federal matching rate would be determined by the same formula as for the States.

The increased fiscal year 1978 Federal costs would be approximately $21 million, which, though within the anticipated figure included in the committee's report to the Budget Committee, represents a substantial added Federal expenditure. Increased fiscal year 1979 Federal costs would be about $32 million. Because of the linkage of the ceiling to increases in the Consumer Price Index the Federal costs will be higher every year thereafter.

This represents another example of the unfortunate upward spiral of Government health expenditures. In 1965 (piror to medicare and medicaid), government at all levels spent about $9.5 billion on health care, constituting some 24 percent of total health spending. Ten years later, government spending had increased to some $50 billion, representing about 42 percent of the total. In the same period, the percent of the gross national product that went for medical expenses went from 5.9 to 8.2, with 87 percent of the increase attributed to Government spending. H.R. 9434 will only exacerbate this unfortunate fiscal trend.

Then to sum it all up, what we are facing here is a most important issue. We have Puerto Rico, Guam and the Virgin Islands paying no Federal income tax; also receiving back their excise and customs tax paid back to them net. This is a case where there is no income and all outgo. From Washington.

President Carter in his speech this year on the state of the Union said that he wants to have a lean Federal budget. This would certainly be the first place that Congress could start. Let us balance these territories that do not contribute anything. It seems only equitable that we start balancing out the fiscal responsibilities and what they are asking the Federal Government to provide. I think that the responsible position is to vote against this special interest bill.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I stated previously about this legislation, we are helping provide medical care to unfortunate people in Puerto Rico, Guam, and the Virgin Islands. While Puerto Rico is not subject to Federal income tax, Puerto Rico does pay excise tax on imports. However, only the excise tax on rum is rebated; the rest is returned to the United States.

As we all know, Puerto Rico is a very poor little island, as are the Virgin Islands. Guam itself does not have a lot of natural resources and since the citizens of these areas are citizens of this great country of ours, it behooves us to see that they have proper health care. Of course, if we come from rich States, great oil-producing States, perhaps we might feel constrained to overlook our less fortunate brothers; but there is a dire health need in these areas and we are only increasing the assistance to these States to the level at which some of our States here in this country are now receiving assistance in medicaid.

Mr. Speaker, are we as a compassionate country going to turn our backs on these parts of the United States whose residents are citizens of this country?

I say "no."

I say, Mr. Speaker, that we should strongly support this legislation.

Mr. ROGERS. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Speaker, I certainly would be the first to agree that we should be concerned about those less fortunate than ourselves. However, I think, as we look at this bill, we should ask ourselves, as we look at our policy, what it is that we do in order to help those people the most.

Mr. Speaker, I have been down to Puerto Rico. I think what we find in

Puerto Rico is a society which, by its nature, has tended to have lower income than the people of the United States. When we establish formulas that base the benefits upon income concerns completely, as we do in this situation, what we do is turn those countries into welfare states or welfare individuals. We find that in food stamps. I sit on the Committee on Agriculture. Something like half the people of Puerto Rico now get food stamps. I have been down there and talked to people. They tell me that the people who have been farming out in the hinterlands no longer farm because we have increased the income levels to keep them from farming and building their economy.

Mr. Speaker, I guess my plea to this House is that we look at this in some depth, to find out what it is that helps those people help themselves, because if we decide what we do is to have food stamp policies, if we decide what we do is to have medicaid policies, if we should have all of the policies which base the payments upon income limitations as we have in the United States, I think that, instead of furnishing a service and helping those countries, what we really are doing is doing a disservice to those people and turning those people into welfare dependents—and they are turning more and more—to the United States and saying, "Big Brother America, send us the money." We send them the money, and that is what we find. That is why I would have grave question about this particular legislation. I do not think a cap is the answer. I think the answer is a different formula, where the formula should not go by the square of the income of the people.

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman for his remarks and I understand his concerns. But I think probably those basic policies as to how we treat Puerto Rico will have to be determined in other forums. Other committees are dealing with issues of statehood for Puerto Rico, the overall tax status of Puerto Rican residents, and food stamp coverage. We cannot solve those problems here. What this bill simply recognizes is that this is the condition now, and we are providing funds to pay for necessary health costs. That is what this adjustment is for, simply to keep paying the increase in program costs occurring because of the inflation of health costs. Until the other policies are changed, as the gentleman has suggested, until statehood is granted, or independence, which might have some effect, to say we are just going to let people suffer and die there in the meantime because they are poor is not a very realistic policy.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman for yielding.

Mr. Speaker, will the gentleman give me some indication of what committee might be looking at our total policy, so that we will not come along in another year and have similar legislation, and the same on food stamps? Is there any committee in our Congress which is trying to determine what type of a legislative policy would be of the most help to the people of Puerto Rico?

Mr. ROGERS. I assume the Committee on the Interior is looking at that constantly. I presume the Committee on Ways and Means also is giving attention to tax questions relating to the jurisdictions. These committees, which have jurisdiction, would probably be the best forum for these issues.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would only add to what has been said that if we could but rebuild the land of Puerto Rico or increase the fertility of the soil of the Virgin Islands or increase the fertility of the soil and the mineral content of the soil out in Guam and make those countries as rich as the great State where the tall corn grows, then I would assure some of my distinguished friends that the funds to improve the health and to keep the people of that area healthy would be forthcoming. But these are some of God's unfortunate people. If one has been to the Virgin Islands, one will find that the hills are slanting, that there is no place much to raise crops.

If we go to Guam, we find it a rather large island, one which is covered with military installations and one on which there is not much room for agriculture.

In Puerto Rico we find the same sort of situation, Mr. Speaker. It is the same type of area. There is no intrinsic wealth there.

As I stated previously, 62,000 families, without any visible means of support, are involved, and all are citizens of the United States of America.

Yes, I will say to my friends and colleagues, if Puerto Rico had that rich land, the land where the tall corn grows and where the soybeans grow in profusion and where the farmers reap riches from the fields and go to Florida in the winter, then there would be no need for this legislation. But the fact is that these people are poor, and that they are not healthy. They need medical assistance, and I hope that our compassionate people will support this legislation for them.

Mr. Speaker, I yield 3 minutes to the distinguished gentlewomen from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding this time to me. I am most grateful.

With all due deference to our fine subcommittee chairman and the ranking minority member, we must introduce the voice of common sense here, as we have heard it from the State of Iowa, because I, too, have worked in this area, as an honorary Puerto Rican, and I know something of the situation.

I have worked long and hard in my district and outside my district in my State with the Puerto Rican community. We cannot continue to do what we are doing.

We are told that in Puerto Rico they could not get anybody on the island to pick the coffee crop. They had to bring people in from the Dominican Republic to pick the coffee crop. Why? Because we have so exaggerated our food stamp arrangements in Puerto Rico that they cannot get off food stamps and on again. If they do take a job, they are lost. The flood of food stamps is so high that it represents something that inflates the whole economic expectation of the island.

It does not cost as much to live in Puerto Rico as it does on the mainland. Puerto Rico is a rich island; fortunes used to be made there. We must care about those people enough to understand what we are doing to them. We do not care enough about them. We just use a formula, and we think, "Well, that's great." We give them $180 million, and we think that ought to be enough.

I do not know how this is calculated. I notice that repeatedly we speak about bringing up the costs to equal the effect of inflation.

Is this right? Do we plan on a per capita basis? Do we arrange that medical aid according to the cost to the people of that island?

Mr. BEDELL. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Speaker, let me state to the gentlewoman that it is computed by the square of the income of the people of the area, so it is not just the income that is considered. It is the square of the income that determines it.

Further than that, I am sure the gentlewoman will agree that there indeed is productive, fertile soil in Puerto Rico.

Mrs. FENWICK. Mr. Speaker, it is one of the richest islands on Earth. What I wish to point out is that we must use our commonsense if we care about those people. If we do not care about them, we can just hand out the money without regard to its effect. That is demoralizing. It is not serving the people well, and many of the people I know who are concerned about their compatriots are desperate. I think we have to stop our present practices.

Mr. ROGERS. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Speaker, the gentlewoman realizes that this legislation is only to increase support for medicaid?

Mrs. FENWICK. I do.

Mr. ROGERS. It does not go to food stamps. We are not considering food stamps.

If the gentlewoman will permit me to continue, what we are trying to do here for Puerto Rico is what we do for every State in the Union. We are not asking for different treatment than any State receives. In fact, because of the ceiling, we are really giving Puerto Rico less, relatively, than most States receive.

Mrs. FENWICK. Mr. Speaker, if the gentleman will allow me to reclaim my time, I will continue.

Mr. ROGERS. Surely.

Mrs. FENWICK. The point is that we should not treat Puerto Rico like another State in the Union. It is not like other States; it has different conditions.

In every single thing we do for other people, we ought to be considering the effects with the deepest sense of respon-

sibility. Maybe this has been done. I am not arguing about that. Nevertheless, it troubles me that we have this automatic increase in cost every single year.

The SPEAKER pro tempore (Mr. GIAIMO). The time of the gentlewoman from New Jersey (Mrs. FENWICK) has expired.

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I take this time because I would like to say in answer to the gentlewoman from New Jersey (Mrs. FENWICK) that I do not think we are going to change all the policies on Puerto Rico that she is concerned about by saying we are not going to treat them in their health care programs as we treat States. Food stamps are not considered here; the welfare program is not considered here.

That is handled by other committees in other bills.

All this is doing is saying that we are going to help these people because of the inflation in health care costs, just as we help New Jersey and just as we do Texas. Texas gets nearly $500 million for their medicaid program. This bill provides for $60 million for Puerto Rico.

May I also say that if the income tax applied to Puerto Rico, many poor persons in Puerto Rico would not pay taxes at all or would have their tax rebated back through the earned income tax credit, because their income is so low.

But we are not addressing the tax issue here. We are addressing needs for medical care. There is no doubt that these people are poor. We only want to make sure that these people who are sick and who may die can have some little help just as other citizens of the United States do.

Mr. DE LUGO. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from the Virgin Islands.

Mr. DE LUGO. Mr. Speaker, I thank the gentleman for yielding.

I wish to thank the gentleman from Kentucky, who has certainly been most eloquent on this matter, and also to thank the chairman of the subcommittee.

I would just like to point out to the House that what all of this is about, as far as the Virgin Islands is concerned, is an item which is already in the President's budget. We are talking here about the grand additional sum for the Virgin Islands of $600,000 for fiscal year 1978 for sick U.S. citizens; and, for fiscal year 1979 an additional sum of $800,000.

Mr. Speaker, I think the gentleman from Iowa (Mr. BEDELL) made a very good statement when he said, "What is the policy for the offshore areas?"

The fact is that there is none.

Mr. Speaker, if others had to live in an offshore area where constantly Federal laws are passed which impact them and they do not have control over them, such as tax cuts, the impact of this bill, or immigration legislation, which impacts one's entire area, they would continue to have the compassion that they have at the present time for these people.

Mr. Speaker, I would like to respond to some of the other arguments made in opposition to this bill, particularly those with respect to the special tax status of the Virgin Islands.

I would like to point out that in October of 1976, the HEW Under Secretary's advisory group on Puerto Rico, Guam, and the Virgin Islands issued a report addressed to this very issue and which concluded that—

> The current fiscal teatment of Puerto Rico and the territories under the Social Security Act is unduly discriminatory and undesirably restricts the ability of these jurisdictions to meet their public assistance needs.

The report went on to recommend full statelike treatment for the offshore areas, arguing that—

> While the legitimate obligations of Puerto Rico and the territories to contribute to general Federal tax revenues should be considered within the context of their overall political relationship with the Federal Government, there is little justification for addressing this issue within the context of the Social Security Act.

This conclusion is in accordance with statements of general policy the present administration has made with respect to the offshore territories. As President Carter recently stated:

> The Constitution of the United States does not distinguish between first and second class citizens.

Rather, the Constitution specifically guarantees equal protection under the law to all U.S. citizens, regardless of where they may live. The logic of the constitutional argument, moreover, is strengthened by the fact that while the people of the Virgin Islands do not contribute to the Federal Treasury, neither do millions of Americans who are unable to pay taxes because of economic circumstances. In the final analysis, neither of these circumstances relieves the Federal Government of its responsibilities to these citizens.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, the gentleman was right in stating that primarily this bill concerns Puerto Rico. They are the great recipient of health aid. However, I cannot think of a more healthy place to live than in Puerto Rico. It has a delightful climate. While we are up here literally freezing to death in Washington, they live in an ideal climate the year round.

Those of us who have visited Puerto Rico have never seen a more fertile soil. The country can grow anything.

When we talk about a poor, starving island, I think their problem is with economics, not with the medical program.

In that connection, Mr. Speaker, I think we ought to provide them with an incentive to work and we ought to help them to work.

Mr. ROGERS. Mr. Speaker, I might say to the gentleman from Texas (Mr. COLLINS) that Puerto Rico, as a percentage, puts far more of its funds into the medicaid program, about double the percentage that Texas puts into it. Puerto Rico is trying to pay its fair share; this provides for the Federal Government to do the same.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Speaker, from the gentleman's last statement, as I understand this legislation, the Federal Government would be paying 83 percent of the medicaid amount to Puerto Rico.

Certainly the gentleman does not feel that Texas is in the same position and that we are subsidizing the Texas medicaid program to the tune of 83 percent; does he?

Mr. ROGERS. We may not be subsidizing Texas at 83 percent, but we are also not subsidizing Puerto Rico at that rate. Nor would we under this bill. Although the matching rate is 83 percent, that simply means that they would be required to spend only about $1 for every $4 they would be entitled to receive. But the ceiling on Federal payments to Puerto Rico would override this. Since Puerto Rico's medicaid program already costs nearly $120 million, and the maximum Federal contribution is limited by this bill to $60 million, we will effectively only be paying 50 percent of the cost. We pay 64 percent of Texas medicaid. Changing the way the matching rate is determined for the jurisdiction really only has an effect on Guam and the Virgin Islands. With their current 50-percent matching rate, they cannot raise a large enough local contribution to take advantage of all the Federal dollars available to them under the ceiling.

Mr. BEDELL. If the gentleman will yield further, Mr. Speaker, can he tell us what the amount is in Mississippi or can the gentleman's staff provide that figure?

Mr. ROGERS. Yes, Mississippi currently receives 78 percent.

Mr. BEDELL. Mr. Speaker, I thank the gentleman.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from West Virginia (Mr. STAGGERS), the chairman of the Committee on Interstate and Foreign Commerce.

Mr. STAGGERS. Mr. Speaker, I thank the chairman for yielding to me. I want to congratulate him and his subcommittee for the attention they have given to this very important legislation.

Mr. Speaker, I seldom disagree with the gentlewoman from New Jersey (Mrs. FENWICK), very seldom, because we are usually on the same side; and as to the gentleman from Texas (Mr. COLLINS), I respect his opinion, as he knows. He is a great legislator and a great friend.

I would like to say that this was in the budget that was sent up by the President. We held hearings on it. It passed in our subcommittee unanimously. In the full committee there was a voice vote. The gentleman from Texas might have said no in voting on it. I do not know. But the gentleman did have dissenting views.

But I would like to say that there will not be any 83 percent paid because there is a ceiling we have in here on the amount of money. It would be less than 50 percent. So talking about Puerto Rico having 83 percent is simply out the window because, as I say, we set a ceiling on what they can pay.

Let me say as far as Puerto Rico is concerned that I flew in and out of Puerto Rico many times during the war and after the war and all I can say that there was only the really rich and the

really poor. There was no in-between The poor were so poor that it made me feel very sad to see humanity having to live the way some of them lived there and still live in that same way.

There has been mention made about the climate. I would say that next to Hawaii it has one of the finest climates anyone could find anywhere in the world. But that does not alleviate the fact that people do get sick.

I agree fully with the gentlewoman from New Jersey (Mrs. FENWICK). I know that her intentions are the best in the world. I want to repeat to the gentlewoman that there is a ceiling that has been put on this, the percentage would be less thon 50 percent. I believe that the gentlewoman from New Jersey (Mrs. FENWICK) would be for this 100 percent if she knew all of the facts that are involved in this.

Mrs. FENWICK. Mr. Speaker, if the gentleman would yield, I do not think anyone in this Chamber wants to see any poor person go unattended. The question I ask is that if this is done on this basis of real concern for the people of Puerto Rico that the costs there should tie in with what they need. I just wonder whether perhaps we are doing in this program that which we have done in so many others? It is not necessarily a question about how they live and what they do, or how different they are from others; but with these automatic increases we seem to be putting in every bill we vote upon I think we should start to question what is going to happen to this country and its ability to pay for every one of these demands, when our budget is so great and our deficit is rising every year.

However, that is not the question; the poor and the sick must be cared for. I believe every Member in this Chamber is of that frame of mind. It is a question of how we think about these things. We do not seem to get down to talking to the people who really know how these things work out.

Mr. STAGGERS. Mr. Speaker, I would like to respond to the gentlewoman from New Jersey (Mrs. FENWICK) by saying that I agree 100 percent with what the gentlewoman has said. I know the gentlewoman very well. She has a fine record. I would say that she is perhaps one of the finest Members in this Chamber in all of the years I have spent in this Chamber. She believes in what is right for America. I just thought that I would give some of these facts to the gentlewoman hoping they might help her just a litle bit. I have observed her voting record and I believe that she has always voted for what she believed was in the best interests of our country and I think that this is in the best interest of our country. We held good hearings on it. It was passed unanimously as I said before by the subcommittee. I think it should be done. I believe the House should pass the legislation.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. SISK).

(By unanimous consent, Mr. SISK was allowed to speak out of order.)

HUD LIMITS FANNIE MAE'S FUND'S ACCESS

Mr. SISK. Mr. Speaker, I wish to take this time to call to the attention of the House an article which appeared in the February 1 edition of the Washington Star, on page 1, under the headline "HUD Limits Fannie Mae's Fund's Access."

The story goes on to point out that the Secretary of Housing and Urban Development has refused to grant the Federal National Mortgage Association the authority it needs to issue commitments to purchase mortgages, so that more American families can buy their own homes.

I wish to call to the attention of the House that the Federal National Mortgage Association—despite its name—is not part of the Federal Government. It used to be, but in 1968 it was taken out of the Government. The Congress of the United States told this organization—known informally as Fannie Mae—that it should go out and raise its own funds and pay full Federal corporate income taxes and make money available for mortgages.

The Secretary of Housing and Urban Development was given some regulatory authority over Fannie Mae, including the right to set the outside limit on Fannie Mae's authority to borrow money and issue other obligations. The purpose of this authority was to assure that Fannie Mae did not overextend itself and damage its financial underpinnings. But Fannie Mae operates entirely on its own funds—it gets no money from the U.S. Government.

If you will read the article in the Star, you will find that the incumbent Secretary of Housing, Mrs. Patricia Roberts Harris, is using the debt limitation authority not to protect Fannie Mae's financial soundness—Fannie Mae has proven it is fully capable of taking care of itself in this regard—but rather to extract a political pound of flesh from the management of Fannie Mae.

Mr. Speaker, this action on the part of the Secretary of HUD is just one more example in a long series of incidents during the past year which have constituted a continuing policy of intimidation and harassment on the part of HUD over and against Fannie Mae. The upper echelon officers in the Department of Housing have used the privately operated gossip sheets of the housing industry as vehicles for a continuous campaign of vilification and doomsday forecasting, saying almost every other week that the management of Fannie Mae was going to be fired. HUD officials have allowed themselves to be quoted—anonymously, of course—as saying that Fannie Mae has not carried out its mission, that it has turned its back on the cities, and that it has failed the American people.

As might be expected in this kind of situation, neither Secretary Harris nor any of her senior staff have come up with any specific examples. The reason they have not come up with specifics is that Fannie Mae has in fact done an excellent job, as any careful examination of its record will show.

It is only fair to the Members of the House, Mr. Speaker, that I confess to having more than a passing interest in Fannie Mae. The chairman of the board and president of Fannie Mae, Oakley Hunter, is the man I defeated for my seat in Congress in 1954. We had a hard campaign, and during the campaign, feelings ran high. But as so often happens, once the campaign was over, we got to know each other better, and we have become friends.

It is suggested in the housing industry gossip sheets that the reason Mrs. Harris wants to sack the management of Fannie Mae is that Oakley Hunter is a Republican—and that is true. But what nobody bothers to point out is that since he came to Fannie Mae in 1970, he dropped completely out of politics. He has played no part in any political campaigns. He has kept Fannie Mae out of politics. Fannie Mae has not maintained any political slush funds. The operation of Fannie Mae has been entirely devoid of any political overtones.

During this past week there has been a flurry of rumors that Mrs. Harris was urging the President of the United States to exercise certain statutory authority that he has and to remove Oakley Hunter and two other members of the Fannie Mae board of directors "for cause." The implication was that this would create a situation where a bloodless coup could have been engineered in such a way that a majority of the board of directors of Fannie Mae—which numbers 15—would be obligated to Secretary Harris. The idea was to undertake this in such a way—if possible—as to preclude any opportunity for a judicial review of the legality of President Carter's removal action.

I do not know how much truth there was to this speculation. I do know that if such a course of action had been followed, it would raise a serious cloud of doubt about the integrity of the administration. This administration does not need another Marston case, but let me assure you that if this speculation should prove true, it will become a Marston case redoubled in spades.

If the President of the United States—or anyone else—has good cause for removing any member of the board of directors of the Federal National Mortgage Association, then he should remove that director, but it should be done in such a way that the rights of the shareholders of Fannie Mae are protected by affording ample time for an orderly review of the removal order through the courts. We have recently come through a very trying time in our history. If we learned one lesson from Watergate, it is that we must remember that ours is a government of laws, not of men.

I would hope that the Secretary of Housing and Urban Development would abandon the unjustified course of pressure tactics which she has been pursuing against Fannie Mae. Mrs. Harris is quoted in the February 2 issue of the Washington Post as expressing some skepticism about the willingness and ability of the private sector to shoulder its responsibilities. She seems to say that only Government can save us. This view is contrary to established national policy on housing matters, because the legislation creating the Department she heads clearly says that the private sector should be utilized to the greatest extent possible. Fannie Mae represents a unique blend of the strengths and flexibilities of the private sector and the sponsorship of the Federal Government. It can do much

to give meaning to private sector involvement in solving our housing problems and the Nation would be well served if Mrs. Harris would get off Fannie Mae's back.

Mr. ROGERS. Mr. Speaker, I have no further requests for time.

Mr. CARTER. Mr. Speaker, I thank the distinguished gentleman from Florida (Mr. ROGERS) and assure him we will call for a vote presently. In reviewing some of the things that have been brought out today, I found that the great State of New Jersey also receives $183 million in the same sort of payments for medicaid that the little island of Puerto Rico receives $30 million for at the same time. I think it is necessary that the poor people of New Jersey receive this assistance. I do not object to that at all. But it is my feeling that the people of Puerto Rico should be adequately cared for. This does not include food stamps. Food stamps, as most people know, come from the Department of Agriculture and not from the committee on which we serve. I strongly support this legislation as humanitarian and compassionate, and I urge that it be passed.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I will be happy to yield to the gentleman for a question.

Mr. COLLINS of Texas. I thank the gentleman for yielding. I want to know, if the gentleman asks to put the question; does the gentleman know the percentage figures for Texas and for New Jersey and for Puerto Rico.

Mr. CARTER. I can give them to the gentleman right now. He asked the question; I will give them to him. At the present time Puerto Rico is $30 million; for Texas it is $256 million; and for New Jersey it is $183 million. Does the gentleman have other questions?

Mr. COLLINS of Texas. I asked for the percentage, if the gentleman knew the percentage.

Mr. CARTER. I can give the gentleman the approximate percentage. It would not be as much.

Mr. COLLINS of Texas. It is 83 percent for Puerto Rico.

Mr. CARTER. I am sure that is right.

Mr. COLLINS of Texas. It is 60 percent for Texas and 50 percent for New Jersey.

Mr. CARTER. Yes, I think that is right. Yes, Mr. Speaker, I believe the gentleman is right on that. We must admit that, because Puerto Rico has 20 percent unemployment, 62,000 people without any visible means of support. I do wish they had some oil wells down there, but they do not have them.

I thank the Speaker.

Mr. CORRADA. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Puerto Rico.

Mr. CORRADA. I thank the gentleman for yielding.

I would like to commend my colleagues, the gentleman from Florida (Mr. ROGERS) and the gentleman from Kentucky (Mr. CARTER), for their excellent work with respect to this bill.

Mr. Speaker, I rise in support of H.R. 9434, a bill that would expand the Federal participation in the medicaid program as it applies to Puerto Rico and the territories.

The bill provides for an additional $20 million in fiscal year 1978 and $30 million in fiscal year 1979 for medicaid expenditures in Puerto Rico and proportionate increases for Guam and the Virgin Islands. After fiscal year 1979 the funds available for payments would be increased by a percentage equal to the percentage increase in the Consumer Price Index.

The bill also eliminates the 50–50 matching requirement imposed on the medicaid program in Puerto Rico and the territories.

Mr. Speaker, since 1972 Puerto Rico's participation in the medicaid program has been restricted by legislation to $30 million per year. Therefore our Government has been forced to spend over $80 million per year in order to provide medical care to over 1.3 million residents of Puerto Rico who are considered to be medically indigent.

The government of Puerto Rico is deeply committed to provide the optimum health care for the medically indigent population in our island.

The line item in the health budget to provide services to the medically indigent has increased 162 percent in the last 10 years.

Another example of this commitment is the fact that we are spending $80 million to match $30 million which the Federal Government provides under the medicaid program. This, Mr. Speaker, is probably the highest matching ratio in the program, even though Puerto Rico is poorer than any State.

The fact that Puerto Rico's participation in the medicaid program is limited to $30 million per year on 50–50 matching ratio, has severely strained the resources of the Government of Puerto Rico, particularly, the health budget and has also constrained our ability to provide optimum health care to our medically indigent. Unless immediate action is taken through this legislation, our ability to provide these services will be severely hampered.

Mr. Speaker, we are experiencing a situation by which we find that we have to comply with Federal regulations and legislation requiring the states to provide more services, more sophisticated costs accounting and management information systems and the Government of Puerto Rico is having to bear the full burden of providing the services and developing the systems without any assistance whatsoever from the Federal Government, since most of our funds under the ceiling are already committed to providing the basic health care services.

To make things more difficult, during the last years most of the Federal legislation related to the delivery of health services to the medically indigent population has been based on the third party reimbursement concept. For example, this is true for mental health, family planning, community health services, rural health initiative, maternal and child health, et cetera. In the several States, the main source of third party reimbursement for these programs are the medicaid funds. Also because of the nature of the health economy in the mainland, medicare funds and several prepaid health plans become good sources of third party funding. In Puerto Rico the situation is quite different. Prepaid plans are few and there are no uncommitted medicaid funds available for third party purposes, because the only $30 million available are already being used within the system.

As a result of all this, any of such programs depending on third party reimbursement is doomed to failure in Puerto Rico. This is so because by disposition of law most of these programs provide only for "seed money" with a phaseout schedule providing the project enough time to become self-sufficient through third party funds. In Puerto Rico, we cannot foresee that this will ever be feasible because of the absence of third party payors, especially the main one available in the United States, the medicaid program.

If this trend continues, we in Puerto Rico will not be able to benefit from any of the new legislation our medically indigent counterpart in the United States are benefiting from. Furthermore, this tendency will make it very difficult for us to accept future such programs depending on third party payors, because we consider it will be unfair and unjust to start good health services in a community when we know ahead of time we will have to discontinue them in a few years, because we know we will not be able to obtain reimbursement. This situation is already eroding our relations with our needy population.

The limitations because of the ceiling also make it impossible for us to comply with the multiple requirements of the medicaid program like EPSDT, cost system and others. This is due to our difficult local health situation which demands from us to utilize our limited funds in the acute front of health services delivery.

Finally, Mr. Speaker, Congress has already included the funds needed to implement this legislation in its fiscal year 1978 budget resolution and the President has done likewise in his fiscal year 1979 budget.

This is a simple and straightforward bill and one of the highest priority to me and to the people of Puerto Rico. I urge my colleagues to support H.R. 9434.

Mr. CARTER. Mr. Speaker, I urge passage of the legislation and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS) that the House suspend the rules and pass the bill H.R. 9434.

The question was taken; and the Speaker pro tempore being in doubt, the House divided, and there were—ayes 26, noes 14.

Mr. ROGERS. Mr. Speaker, I object to the vote on the ground that a quorum

is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 253, nays 106, not voting 73, as follows:

[Roll No. 36]

YEAS—253

Abdnor	Gore	Oberstar
Addabbo	Gradison	Obey
Akaka	Gudger	Ottinger
Alexander	Guyer	Panetta
Allen	Hamilton	Patten
Ammerman	Hammer-schmidt	Pattison
Anderson, Calif.	Hanley	Pease
Andrews, N.C.	Hannaford	Perkins
Annunzio	Harkin	Pettis
Applegate	Harrington	Pickle
Baucus	Harris	Pike
Beard, R.I.	Hawkins	Pressler
Bedell	Heckler	Preyer
Beilenson	Hefner	Price
Benjamin	Heftel	Pritchard
Bennett	Hightower	Railsback
Bingham	Hillis	Rangel
Boggs	Hollenbeck	Regula
Boland	Holtzman	Reuss
Bonior	Horton	Richmond
Bonker	Howard	Roe
Bowen	Hubbard	Rogers
Brademas	Huckaby	Roncalio
Breckinridge	Hyde	Rooney
Brinkley	Ireland	Rose
Brodhead	Jacobs	Rosenthal
Brown, Calif.	Jeffords	Roybal
Buchanan	Jenkins	Russo
Burgener	Jenrette	Ryan
Burke, Mass.	Johnson, Calif.	Sarasin
Burlison, Mo.	Johnson, Colo.	Sawyer
Burton, John	Jones, N.C.	Scheuer
Burton, Phillip	Jones, Okla.	Schroeder
Carney	Jones, Tenn.	Sebelius
Carter	Jordan	Seiberling
Cavanaugh	Kastenmeier	Sharp
Chisholm	Kazen	Sikes
Clausen, Don H.	Ketchum	Simon
Clay	Keys	Sisk
Conte	Kildee	Skelton
Corman	Kostmayer	Skubitz
Cornell	Krebs	Slack
Cornwell	Lagomarsino	Smith, Iowa
Coughlin	Leach	Smith, Nebr.
Danielson	Lederer	Snyder
Davis	Leggett	Solarz
de la Garza	Lehman	Spellman
Delaney	Levitas	St Germain
Dellums	Lloyd, Calif.	Staggers
Derrick	Lloyd, Tenn.	Stanton
Derwinski	Long, La.	Stark
Dingell	Lujan	Steed
Dodd	Lundine	Steers
Downey	McClory	Steiger
Drinan	McCloskey	Stokes
Duncan, Oreg.	McCormack	Stratton
Early	McDade	Studds
Edgar	McFall	Thompson
Edwards, Calif.	McHugh	Thone
Eilberg	Madigan	Thornton
Erlenborn	Markey	Tsongas
Ertel	Mathis	Tucker
Evans, Colo.	Mattox	Udall
Fary	Mazzoli	Ullman
Fascell	Meeds	Van Deerlin
Fenwick	Meyner	Vander Jagt
Fish	Michel	Vanik
Fisher	Mikulski	Vento
Flippo	Mikva	Volkmer
Florio	Miller, Calif.	Walgren
Foley	Mitchell, Md.	Walsh
Ford, Tenn.	Mitchell, N.Y.	Waxman
Fowler	Moakley	Weaver
Fraser	Moffett	Whalen
Frenzel	Mollohan	Whitley
Fuqua	Moorhead, Pa.	Wilson, Tex.
Gammage	Moss	Winn
Gaydos	Murphy, N.Y.	Wolff
Gephardt	Murtha	Wright
Giaimo	Natcher	Yates
Gibbons	Neal	Yatron
Ginn	Nedzi	Young, Mo.
Glickman	Nolan	Young, Tex.
Gonzalez	Nowak	Zablocki
	Oakar	

NAYS—106

Andrews, N. Dak.	English	Myers, Gary
Archer	Evans, Ga.	Myers, John
Ashbrook	Evans, Ind.	Nichols
AuCoin	Findley	O'Brien
Badham	Fithian	Poage
Bafalis	Flowers	Quayle
Barnard	Flynt	Quillen
Beard, Tenn.	Forsythe	Rhodes
Blanchard	Fountain	Roberts
Breaux	Grassley	Robinson
Brooks	Hagedorn	Rousselot
Broomfield	Hall	Rudd
Brown, Ohio	Hansen	Runnels
Burke, Fla.	Harsha	Satterfield
Burleson, Tex.	Holt	Schulze
Butler	Ichord	Shuster
Cederberg	Kelly	Spence
Clawson, Del	Kindness	Stangeland
Cleveland	Latta	Stockman
Cochran	Lent	Stump
Cohen	Livingston	Symms
Coleman	Long, Md.	Taylor
Collins, Tex.	Lott	Treen
Conable	Luken	Trible
Corcoran	McDonald	Waggonner
Crane	McEwen	Walker
Cunningham	McKay	Wampler
Daniel, Dan	Marlenee	Watkins
Daniel, R. W.	Marriott	White
Devine	Martin	Whitehurst
Dickinson	Miller, Ohio	Whitten
Dornan	Montgomery	Wilson, C. H.
Duncan, Tenn.	Moore	Wirth
Edwards, Okla.	Moorhead, Calif.	Wylie
Emery	Mottl	Young, Alaska
		Young, Fla.

NOT VOTING—73

Ambro	Eckhardt	Murphy, Ill.
Anderson, Ill.	Edwards, Ala.	Murphy, Pa.
Armstrong	Evans, Del.	Myers, Michael
Ashley	Flood	Nix
Aspin	Ford, Mich.	Patterson
Baldus	Frey	Pepper
Bauman	Gilman	Pursell
Bevill	Goldwater	Quie
Biaggi	Goodling	Rahall
Blouin	Holland	Rinaldo
Bolling	Hughes	Risenhoover
Brown, Mich.	Kasten	Rodino
Broyhill	Kemp	Rostenkowski
Burke, Calif.	Krueger	Ruppe
Byron	LaFalce	Santini
Caputo	Le Fante	Shipley
Carr	McKinney	Teague
Chappell	Maguire	Traxler
Collins, Ill.	Mahon	Weiss
Conyers	Mann	Wiggins
Cotter	Marks	Wilson, Bob
D'Amours	Metcalfe	Wydler
Dent	Milford	Zeferetti
Dicks	Mineta	
Diggs	Minish	

The Clerk announced the following pairs:

Mr. Ambro with Mr. Wiggins.
Mr. Cotter with Mr. Shipley.
Mr. Biaggi with Mr. Byron.
Mr. Rostenkowski with Mr. Chappell.
Mrs. Burke of California with Mr. Mahon.
Mr. Le Fante with Mr. Bauman.
Mr. Ashley with Mr. Anderson of Illinois.
Mr. Weiss with Mr. Frey.
Mr. Caputo with Mr. Mann.
Mr. Wydler with Mr. Broyhill.
Mr. Gilman with Mr. Kasten.
Mr. Aspin with Mr. Goodling.
Mr. McKinney with Mr. Teague.
Mr. Rinaldo with Mr. Krueger.
Mr. Marks with Mr. Quie.
Mr. Baldus with Mr. Ruppe.
Mr. Mineta with Mr. Kemp.
Mr. Risenhoover with Mr. Evans of Delaware.
Mr. Pepper with Mr. Pursell.
Mr. Dent with Mr. Bob Wilson.
Mr. Holland with Mr. Brown of Michigan.
Mr. Nix with Mr. Eckhardt.
Mr. Zeferetti with Mr. Goldwater.
Mr. Flood with Mr. Edwards of Alabama.
Mr. Metcalfe with Mr. LaFalce.
Mr. Bevill with Mr. Diggs.
Mr. Rodino with Mr. Murphy of Pennsylvania.
Mr. Hughes with Mr. Conyers.
Mrs. Collins of Illinois with Mr. Patterson of California.
Mr. Santini with Mr. Murphy of Illinois.
Mr. Traxler with Mr. Minish.
Mr. Blouin with Mr. Carr.
Mr. Milford with Mr. Michael O. Myers.
Mr. D'Amours with Mr. Maguire.
Mr. Ford of Michigan with Mr. Rahall.

Mr. BREAUX and Mr. EVANS of Indiana changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, due to official business of the Committee on International Relations, I was compelled to be absent from two rollcall votes on Thursday, January 19, 1978, and would like to announce how I would have voted had I been present.

Rollcall No. 2, an amendment to H.R. 2329 that strikes language allowing warrantless searches and seizures by enforcing officers where "there is reasonable grounds to believe that a person has committed or is attempting to commit an offense in his presence or view": I would have voted "aye."

Rollcall No. 3, H.R. 2329, to improve the administration of fish and wildlife programs: I would have voted "yea."

PROVIDING FOR CONSIDERATION OF H.R. 6362, FOREST SERVICE TIMBER SALES STUDY

Mr. MEEDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 974 and ask for its immediate consideration.

H. RES. 974

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6362) to establish an Advisory Committee on Timber Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 6362, the Committee on Agriculture shall be discharged from the further consid-

eration of the bill S. 1360, and it shall then be in order to consider said bill in the House.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MEEDS) is recognized for 1 hour.

Mr. MEEDS. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 974 provides for the consideration of H.R. 6362, a bill to establish an advisory committee on timber sales procedure.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. The bill will be open to all germane amendments under the 5-minute rule. There are no waivers or points of order included in this rule.

The rule provides that after the passage of H.R. 6362, the Committee on Agriculture shall be discharged from further consideration of the bill, S. 1360, and it shall then be in order to consider said bill in the House.

Mr. Speaker, H.R. 6362 establishes an advisory committee with the U.S. Department of Agriculture which would study the procedures by which the Forest Service sells timber including, among other things, the means by which such timber is put up for sale, appraised, bid upon, and factors affecting pricing of such timber. Under the bill the recommendations and conclusions of the committee are to be reported to the House and Senate Committees on Agriculture no later than January 1, 1979 at which point the advisory committee would cease to exist.

Also, the bill would repeal subsection 14e of the National Forest Management Act of 1976 which presently requires that the Forest Service employ a sealed bidding procedure for the sale of timber. Implementation of this provision by the Forest Service has subjected timber purchasers and small communities in many western timber markets to an extraordinary degree of uncertainty. A small independent operator has no way of knowing whether a sale which he needs will be made under the sealed or oral bid method.

Subsection 14e of the National Forest Management Act was inserted in that act during markup of the House bill and had not been the subject of public hearings. It abruptly changed procedures for sale of national forest timber in the crucial Pacific Northwest Federal timber producing region and has destabilized the timber industry thereby depriving small operators of the opportunity to bid only as high as necessary to purchase needed timber. These operators had enjoyed such an opportunity for over a quarter of a century under the highly competitive oral auction timber sale method heretofore utilized by the Forest Service. There have been several recent failures of small mills in the Pacific Northwest.

Finally, the bill will require no additional appropriations as the operating costs of the Commission would be absorbed within the operating funds otherwise available for carrying out the activities of the Department of Agriculture.

Mr. Speaker, I know of no opposition to the adoption of this rule, and I urge its adoption.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 974 provides an open rule with 1 hour of general debate for the consideration of H.R. 6362, the Forest Service timber sales study, which establishes an advisory committee on timber sales procedure. The bill will be open for amendment under the 5-minute rule.

The advisory committee would examine methods by which Forest Service timber is sold in order to submit a thorough report to the Secretary of Agriculture and the Agricultural Committees of Congress by January 1, 1979. H.R. 6362 would also repeal subsection (e) of section 14 of the National Forest Management Act of 1976 which requires sealed bidding on all national timber sales. This new procedure would provide the Department of Agriculture needed flexibility in determining the best bidding method on a case-by-case basis, without being locked into a predetermined statutory policy.

Mr. Speaker, the Senate has already passed this bill, and I recommend a favorable vote for the rule and the subject legislation.

Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker I rise in support of the bill.

Mr. DEL CLAWSON. Mr. Speaker, I have no further requests for time.

Mr. MEEDS. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2664, SIOUX INDIAN CLAIMS

Mr. MEEDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 958 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 958

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2664) to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto without intervening motion except one motion to recommit. After the passage of H.R. 2664, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 838 and it shall then be in order to consider said bill in the House.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MEEDS) will be recognized for 1 hour.

Mr. MEEDS. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 958 provides for the consideration of H.R. 2664, a bill to amend the Indian Claims Commission Act of August 13, 1946. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs. The bill will be open to all germane amendments under the 5-minute rule. There are no waivers of points of order in this rule.

The rule further provides that after the passage of H.R. 2664 the Committee on Interior and Insular Affairs shall be discharged from further consideration of the Senate bill, S. 838, and it shall then be in order to consider said bill in the House.

Mr. Speaker, I do not generally take time on a rule to get into the merits of legislation but, as chairman of the Subcommittee on Indian Affairs, I was the one who started this legislation or first introduced it about 3 years ago, and I would like to take a few minutes now so that the entire hour can be saved for those who would like to discuss the bill when we consider it.

Mr. Speaker we are, with H.R. 2664, dealing with the largest, most historical and socially significant as well as oldest and most important of all the Indian claims. I think it is no secret that I have not agreed with all Indian claims but certainly hope that we will seriously consider this one because it is, without question, the most important of all of them.

An understanding of the history of this claim is necessary for full appreciation of what transpired.

Under a special act of this body in February of 1877, the United States unilaterally stripped the Sioux Indians of the Black Hills of South Dakota. Without question it is one of the darkest pages in our dealings with the American Indians. In fact, the U.S. Court of Claims in 1975 said:

A more ripe and rank case of dishonorable dealings will never in all probability be found in our history.

Why is it then, Mr. Speaker, that we have never settled this claim? The history of why we have not is a classic of frustration and failure of our entire system of government, both judicial, the legislative, and the executive branches of this Government.

The history begins in 1920 when, by a special statute, the Court of Claims as-

sumed jurisdiction over the settlement of the Sioux claim. After a long time that case was heard before the Court of Claims.

In a 79-page opinion which is very ambiguous, it is difficult to say whether the case was dismissed on the merits or whether the Court of Claims felt it lacked jurisdiction to hear the matter. In any event, it dismissed the complaint.

In 1975 after long consideration, the Indian Claims Commission held that the taking in 1877 was, indeed, a fifth amendment taking in violation of the fifth amendment and that the United States had waived or abandoned the defense of res judicata. By that holding the Indian Claims Commission was in effect saying that interest at 5 percent could be paid and should be paid on the original claim which was held to be worth $17,500,000.

In 1975 the Court of Claims reversed the Indian Claims Commission saying that rightly or wrongly the Court of Claims had made a decision on the fifth amendment, and that that was res judicata, and it applied to the matter before the Indian Claims Commission, and it dismissed the case.

I go through that rather complicated history for the purpose of pointing out to the Members that the purpose of this legislation is not to decide the matter on the merits. That is still for the court to do. The purpose of this legislation is only to waive the defense of res judicata and to waive this technical defense, as we have done in a number of other instances in this body, so this most important claim can get before the courts again and can be decided without a technical defense and on the merits.

I said earlier that this is a history of missed opportunities and frustration and bitterness. Rightly or wrongly, this case is regarded in the Indian world as the prime example of white man's injustice. Despite this, the Sioux have continued to press in the courts and before the Indian Claims Commission and before the Congress for redress of these grievances. Some of the Sioux point to this long history of frustration and problems and demand a return of large parts of five States of this Nation, but most of the Sioux prefer to work through the system to achieve ultimate justice. Our failure to pass this bill will only lend credence to the charges and demands of the Russell Meanses of the world for much more than we are doing here. Conversely, the passage of this act will reward the long-suffering hope of the vast majority of the Sioux people who have had faith in the system. Just as importantly, it will write a more honorable finish to a chapter of American history that has had less than an honorable beginning.

Mr. Speaker, I reserve the remainder of my time.

Mr. LOTT. I thank the gentleman for yielding, Mr. Speaker.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1-hour, open rule permitting consideration of H.R. 2664, a bill amending the Indian Claims Commission Act of 1946. The rule provides that after the passage of H.R. 2664, the Committee on Interior and Insular Affairs is discharged from further consideration of S. 838; and it is in order then to consider the Senate bill in the House. Both the House and Senate versions are identical to each other.

The purpose of this legislation is to authorize the Court of Claims to review on the merits the question of whether or not the United States took the Black Hills area from the Sioux Nation in violation of the fifth amendment to the Constitution, notwithstanding any defense of res judicata or collateral estoppel. The Sioux Black Hills claim is for the 1877 acquisition of their Black Hills country without the payment of just compensation. In 1975 the Court of Claims ordered the claim dismissed on the technical ground of res judicata without reaching the merits of the case. The Supreme Court denied a Sioux petition for writ of certiorari to review the Court of Claims judgment.

Therefore, the Sioux are left with no procedure in the law for further appeal of their claim, except through the vehicle of legislation. H.R. 2664 is that vehicle, and it will enable the Sioux Nation to appear in the Court of Claims to have their fifth amendment taking claim adjudicated on its merits.

H.R. 2664 failed to pass under suspension of the rules on September 27, 1977, by a vote of 173 to 239.

It is my understanding that there are objections to this legislation. I am advised that the Department of Justice would prefer to delay its consideration until the administration has time to review all the ancient Indian claims. There is also some concern that passage of this bill will set an unwarranted precedent while discriminating against other Indian tribes.

I am certain these matters will be discussed during general debate, and I do not oppose the rule.

Mr. Speaker, I have no further request for time and I yield back the balance of my time.

Mr. MEEDS. Mr. Speaker, I know of no opposition to the rule. I have no further request for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE CONSIDERATION OF H.R. 8336, CHATTAHOOCHEE RIVER NATIONAL PARK

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 982 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 982

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8336) to enhance the outdoor recreation opportunities for the people of the United States by expanding the National Park System by providing access to and within areas of the National Park System, and for other purposes, and all points of order against section 105(a) of said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. All points of order against the amendment recommended by the Committee on Interior and Insular Affairs now printed in the bill, beginning at line 22, page 9 through line 3, page 10, for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for one hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 982 provides for the consideration of H.R. 8336 to establish the Chattahoochee River National Recreation Area in the State of Georgia and for other purposes.

This is a 1-hour open rule with time equally divided and controlled between the chairman and ranking minority member of the Committee on Interior and Insular Affairs.

The rule contains two waivers. The first waives points of order under clause 5, rule XXI, appropriations in a legislative bill, pursuant to section 105(a) of the bill. This is necessary because the section in question authorizes the expenditure of $73 million from both current and future appropriations to the Land and Water Conservation Fund. Technically, this is an appropriation.

The second waiver is for an amendment recommended by the Committee on Interior and Insular Affairs. The amendment beginning on line 22, page 9 of the bill and continuing through line 3, page 10 provides an additional $750,000 for certain historical events in the State of Kansas. The amendment is not germane to the bill and thus requires a waiver of clause 7, rule XVI.

Mr. Speaker, H.R. 8336 creates the Chattahoochee National Recreation Area. It authorizes the expenditure of $73 million for the purchase of 6,300 acres of land along a 48-mile segment of the Chattahoochee River, generally in the Atlanta metropolitan area. The bill further authorizes $500,000 in fiscal year 1979 to develop public facilities in the recreation area.

The Interior Committee also recommended two amendments to the bill. Title II would increase funds for the

Fort Scott, Kans., historical project by some $750,000.

Title III expresses the intent of Congress that all inholdings in the national park system be acquired within 4 years following the effective date of the bill. Grand Teton National Park in Wyoming would be exempt from this requirement. Although this amendment is also nongermane to the bill, it was not given a waiver by the Committee on Rules.

Mr. Speaker, H.R. 8336, as well as a similar bill in the last Congress which would have established a national park along the Chatahoochee River in Georgia, was given careful consideration by the Committee on Interior and Insular Affairs. I urge my colleagues to adopt House Resolution 982 so that we might proceed to its consideration.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 982 provides an open rule with 1 hour of general debate for the consideration of H.R. 8336, a bill to establish the Chattahoochee River National Recreation Area in Georgia. The bill will be read for amendment under the 5-minute rule. Following this, the rule allows one motion to recommit.

The rule waives all points of order lying against section 105(a) of the bill. That section fails to comply with the provision of clause 5, rule 21, by providing an appropriation on a legislative measure. An additional waiver of points of order is made for title II of the bill, a subject not germane to a bill regarding the Chattahoochee River. Points of order were therefore waived for failure to comply with clause 7, rule 16, the germaneness rule.

Mr. Speaker, the Chattahoochee River is primarily of local concern. The State of Georgia has already shown its willingness to support the project by enactment of the Metropolitan River Protection Act. In fact, we understand much of the land in question has already been acquired by State and local governments. Georgia is enjoying a $55 million budget surplus, and the Federal Government is over $600 billion in debt.

The conclusion is simple: Georgia wishes to protect the Chattahoochee River, which they can afford to do. Though I agree that the Chattahoochee needs to be preserved, I oppose the passage of a bill which puts the responsibility into the wrong hands. My hope is that my colleagues will defeat the rule, or, failing that, defeat the bill.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. Mr. Speaker, I feel that this is an incredibly bad bill. The Chattahoochee River Recreation Area has recently been tabled; consideration of this in the Senate has been tabled because of the adverse aspects of this particular bill, and also because of the extremely high price tag, making this particular bill the most expensive cost per acre that we have been asked to consider.

There is nothing of national concern in this particular bill. The Chattahoochee River begins and ends in Georgia. The area involved is completely within the State of Georgia. What we are doing by opening a Pandora's box and considering the Chattahoochee River proposal is putting the Federal Government into the business of providing urban recreation areas. If we are going to set this precedent, or do this for the Atlanta area, it is only going to be right that we do it for the St. Louis area, for the Charleston area, and for the San Antonio area.

My colleagues, there is simply not enough money in the world to finance that venture, or that extension of Federal activities. As my colleague from California has already stated, the State of Georgia has done and is doing an excellent job in providing for the recreation areas for the Metropolitan Atlanta area. The State of Georgia currently has over 1,000 acres involved in the Chattahoochee River currently, and the Federal involvement in expanding that effort is totally unnecessary.

In the last administration, the spokesman for the Interior Committee came out against this bill for exactly that reason. The State of Georgia enjoys a $55 million surplus at this time, this year, when we are looking at a $60 billion deficit.

There is nothing of national concern here. Members may be told of some archeological site. Frankly, as the one member of the Georgia delegation who grew up on the Chattahoochee and has boated, fished, and hunted on it, there is nothing of archeological concern in the area. This was a muddy river that overflowed once or twice a year, and it is because of the man-made aspect of the dam that the water has cleared, and for the first time trout are in the river, which are not natural to the river. If Members consider the finding of an arrowhead or a broken piece of pottery as an archeological site and see it as significant, I submit that this applies to almost every acre of the United States.

There is going to be virtually no logical way of choosing the 14 separate parcels located along a 48-mile corridor.

We are opening a precedent an unworkable situation, and a very bad bill that has just been tabled by the Senate Interior Committee.

I hope my colleagues will vote to defeat the rule and, failing that, to defeat the bill, that sets a very dangerous precedent to expand the Federal activity of such an urban recreation area, the most expensive project of its kind and one which, if accepted, will open a Pandora's box for future bankruptcy of the Federal Government.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, first of all, I would like to thank the gentleman from California for yielding this time to me. I would like to urge my colleagues to vote for adoption of the rule and ultimately vote for the bill itself.

I would like to begin by correcting one statement that was made by my colleague, the gentleman from Georgia, who stated that the bill has been tabled for consideration in a committee in the other body. That is not correct. The Senate committee never got a quorum today and after discussion, further consideration of the matter was postponed for later this week; so I want to set the record straight. The bill has not been tabled in the other body and the information I have provided was furnished by the office of the junior Senator from Georgia, who is a cosponsor of this bill in the other body, along with the senior Senator from Georgia; both Senators are sponsors of this legislation. In the other body we have every expectation that this bill will be voted on favorably very soon by the committee in the other body.

Now, as far as the river itself is concerned and this particular recreation area, it meets every one of the seven criteria set out by the Department of the Interior for a national park. Each of the criteria have been met by this particular unique treasure. We have been told it is only in one State. First of all, we should know that this particular river begins in the hills of north Georgia, runs down and forms the boundary between Alabama and the State of Georgia, crosses into Florida, and empties into the Gulf of Mexico.

The part of that river that is being proposed as a park is a unique treasure. It is similar to many other parks located near urban areas, such as the Gateway and Cayuhoga Park. It is not a new precedent being set, but it is saving a unique national resource.

It is estimated that the amount of use the national park will receive will be larger than any other national park in the United States. It is situated between two major interstate highways coming from the Midwest and from the East, and it is an opportunity for people from all over America to share in the enjoyment of this unique treasure, which in the absence of being made a national park will be lost forever, not only for ourselves, but for future generations.

I have, along with my colleague, the gentleman from Georgia (Mr. FOWLER), sent to each a "Dear Colleague" letter which deals with and refutes each of the points which my colleague, the gentleman from Georgia (Mr. McDONALD) has made.

This is a national treasure. This is a National Park. Rather than these sites being bumps on a log, as my colleague has indicated, they are, rather, beautiful pearls in a necklace, that necklace being the Chattahooche River where there are archeological and historically significant findings that go back as far as 10,000 years.

Mr. Speaker, this is a treasure that I trust Members of this body will make it a part of the National Park System.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. FOWLER).

Mr. FOWLER. Mr. Speaker, I want to commend my colleague, the gentleman from Georgia (Mr. LEVITAS) for the gentleman's leadership on this bill. I would just like to tell my colleagues that there are seven Members of the Georgia dele-

gation who are cosponsors of this legislation.

The gentleman from Georgia (Mr. LEVITAS) has made the case for the national concern. There were 2.4 million people who used the Chattahoochee River last year, more than used our National Park in Yosemite.

The Southeastern States are not the only States affected. People from all over the country are now taking advantage of the rafting, canoeing, fishing, and just plain pleasure to be enjoyed in and along the Chattahoohee River.

Mr. Speaker, I urge the Members' favorable consideration of this legislation as uniquely in the long term national interest.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. McDONALD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 323, nays 41, "present" 1, not voting 67, as follows:

[Roll No. 37]

YEAS—323

Abdnor	Chisholm	Flynt
Addabbo	Clausen,	Foley
Akaka	Don H.	Ford, Tenn.
Alexander	Clay	Fountain
Allen	Cleveland	Fowler
Ammerman	Cochran	Frenzel
Anderson,	Cohen	Fuqua
Calif.	Collins, Ill.	Gammage
Andrews, N.C.	Conable	Gaydos
Andrews,	Conte	Gephardt
N. Dak.	Conyers	Giaimo
Annunzio	Corman	Gibbons
Applegate	Cornell	Ginn
Ashley	Cornwell	Glickman
Aspin	Coughlin	Goldwater
AuCoin	D'Amours	Gore
Bafalis	Daniel, Dan	Gradison
Baldus	Danielson	Gudger
Barnard	Davis	Guyer
Baucus	de la Garza	Hagedorn
Beard, R.I.	Delaney	Hall
Bedell	Dellums	Hamilton
Beilenson	Derrick	Hammer-
Benjamin	Derwinski	schmidt
Bennett	Dickinson	Hanley
Bevill	Dodd	Hannaford
Bingham	Downey	Harkin
Blanchard	Drinan	Harrington
Boggs	Early	Harris
Boland	Edgar	Harsha
Bonker	Edwards, Calif.	Hawkins
Bowen	Eilberg	Heckler
Brademas	Emery	Hefner
Breaux	English	Heftel
Breckinridge	Erlenborn	Hightower
Brinkley	Ertel	Hillis
Brodhead	Evans, Colo.	Hollenbeck
Brooks	Evans, Del.	Holtzman
Brown, Calif.	Evans, Ga.	Howard
Buchanan	Evans, Ind.	Hubbard
Burgener	Fary	Huckaby
Burke, Mass.	Fascell	Hyde
Burleson, Tex.	Fenwick	Ichord
Burlison, Mo.	Findley	Ireland
Burton, Phillip	Fish	Jacobs
Byron	Fisher	Jeffords
Carney	Fithian	Jenkins
Carter	Flippo	Jenrette
Cavanaugh	Florio	Johnson, Calif.
Cederberg	Flowers	Johnson, Colo.
Jones, N.C.	Mottl	Skelton
Jones, Okla.	Murphy, N.Y.	Skubitz
Jones, Tenn.	Murtha	Slack
Jordan	Myers, Gary	Smith, Iowa
Kastenmeier	Myers, John	Smith, Nebr.
Kazen	Myers, Michael	Snyder
Ketchum	Natcher	Solarz
Keys	Neal	Spellman
Kildee	Nedzi	Spence
Kostmayer	Nichols	St Germain
Krebs	Nolan	Staggers
Lagomarsino	Nowak	Stangeland
Leach	O'Brien	Stanton
Lederer	Oakar	Stark
Leggett	Oberstar	Steed
Lehman	Obey	Steers
Lent	Ottinger	Steiger
Levitas	Panetta	Stokes
Livingston	Patten	Stratton
Lloyd, Calif.	Pattison	Studds
Lloyd, Tenn.	Pease	Stump
Long, La.	Perkins	Taylor
Long, Md.	Pettis	Thompson
Lott	Pickle	Thone
Luken	Pike	Thornton
Lundine	Poage	Treen
McClory	Pressler	Tsongas
McCloskey	Preyer	Tucker
McCormack	Price	Udall
McDade	Pritchard	Ullman
McEwen	Pursell	Van Deerlin
McFall	Railsback	Vander Jagt
McHugh	Rangel	Vanik
McKay	Regula	Vento
Madigan	Rhodes	Volkmer
Markey	Richmond	Waggonner
Marlenee	Risenhoover	Walgren
Martin	Roberts	Walsh
Mathis	Roe	Wampler
Mattox	Rogers	Watkins
Mazzoli	Roncalio	Waxman
Meeds	Rooney	Weaver
Metcalfe	Rose	Whalen
Meyner	Rosenthal	White
Michel	Roybal	Whitehurst
Mikulski	Runnels	Whitley
Mikva	Russo	Wiggins
Milford	Ryan	Wilson, Tex.
Miller, Calif.	Sarasin	Winn
Mineta	Sawyer	Wirth
Mitchell, Md.	Scheuer	Wolff
Mitchell, N.Y.	Schroeder	Wright
Moakley	Sebelius	Wylie
Moffett	Seiberling	Yates
Mollohan	Sharp	Yatron
Montgomery	Shuster	Young, Fla.
Moore	Sikes	Young, Mo.
Moorhead, Pa.	Simon	Young, Tex.
Moss	Sisk	Zablocki

NAYS—41

Archer	Dornan	Miller, Ohio
Ashbrook	Duncan, Oreg.	Moorhead,
Beard, Tenn.	Duncan, Tenn.	Calif.
Brown, Ohio	Edwards, Okla.	Quayle
Burke, Fla.	Forsythe	Quillen
Butler	Grassley	Robinson
Clawson, Del	Hansen	Rousselot
Coleman	Holt	Rudd
Collins, Tex.	Kelly	Satterfield
Corcoran	Kindness	Schulze
Crane	Latta	Stockman
Cunningham	Lujan	Symms
Daniel, R. W.	McDonald	Trible
Devine	Marriott	Walker

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—67

Ambro	Edwards, Ala.	Nix
Anderson, Ill.	Flood	Patterson
Armstrong	Ford, Mich.	Pepper
Badham	Fraser	Quie
Bauman	Frey	Rahall
Biaggi	Gilman	Reuss
Blouin	Goodling	Rinaldo
Bolling	Holland	Rodino
Bonior	Horton	Rostenkowski
Broomfield	Hughes	Ruppe
Brown, Mich.	Kasten	Santini
Broyhill	Kemp	Shipley
Burke, Calif.	Krueger	Teague
Burton, John	LaFalce	Traxler
Caputo	Le Fante	Weiss
Carr	McKinney	Whitten
Chappell	Maguire	Wilson, Bob
Cotter	Mahon	Wilson, C. H.
Dent	Mann	Wydler
Dicks	Marks	Young, Alaska
Diggs	Minish	Zeferetti
Dingell	Murphy, Ill.	
Eckhardt	Murphy, Pa.	

The Clerk announced the following pairs:

Mr. Ambro with Mr. Shipley.
Mr. Cotter with Mr. Mahon.
Mr. Rostenkowski with Mr. Chappell.
Mrs. Burke of California with Mr. Anderson of Illinois.
Mr. Kasten with Mr. Frey.
Mr. Diggs with Mr. Mann.
Mr. Biaggi with Mr. Caputo.
Mr. Whitten with Mr. Broyhill.
Mr. Flood with Mr. Edwards of Alabama.
Mr. Zeferetti with Mr. Goodling.
Mr. Eckhardt with Mr. McKinney.
Mr. Reuss with Mr. Bauman.
Mr. Pepper with Mr. Kemp.
Mr. Nix with Mr. Badham.
Mr. Dent with Mr. Horton.
Mr. Teague with Mr. Gilman.
Mr. Murphy of Illinois with Mr. Marks.
Mr. Rodino with Mr. Wydler.
Mr. Hughes with Mr. Broomfield.
Mr. Minish with Mr. Ruppe.
Mr. Fraser with Mr. Quie.
Mr. John L. Burton with Mr. Young of Alaska.
Mr. Ford of Michigan with Mr. Bob Wilson.
Mr. Blouin with Mr. Traxler.
Mr. Patterson of California with Mr. Santini.
Mr. Weiss with Mr. Charles H. Wilson of California.
Mr. Murphy of Pennsylvania with Mr. Le Fante.
Mr. LaFalce with Mr. Krueger.
Mr. Holland with Mr. Maguire.
Mr. Dingell with Mr. Carr.
Mr. Bonior with Mr. Rinaldo.
Mr. Rahall with Mr. Brown of Michigan.

Mr. HAMMERSCHMIDT changed his vote from "no" to "aye."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FOREST SERVICE TIMBER SALES STUDY

Mr. WEAVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6362) to establish an Advisory Committee on Timber Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review.

The SPEAKER pro tempore (Mr. WRIGHT). The question is on the motion offered by the gentleman from Oregon (Mr. WEAVER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6362, with Mr. BREAUX in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. WEAVER) will be recognized for 30 minutes, and the gentleman from Colorado (Mr.

JOHNSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we bring to the floor today H.R. 6362 which addresses an issue critical to scores of rural communities in the West whose economies are dependent on national forest timber.

H.R. 6362 would establish an advisory committee to study and make recommendations to the Secretary of Agriculture and to Congress on the procedures by which national forest timber is sold. The committee would be required to submit its report not later than January 1, 1979. Upon submission of its report, the committee would cease to exist.

H.R. 6362 also would repeal section 14(e) of the National Forest Management Act of 1976, which requires sealed bidding when national forest timber is sold, except where the Secretary determines otherwise by regulations.

Mr. Chairman, I believe an advisory committee whose purpose is to study and evaluate how national forest timber is sold would serve a very useful function at the present time. The role of the national forests in providing for the Nation's sawtimber needs is of singular importance because they contain most of the Nation's sawtimber inventory. And this role can only increase as sawtimber inventories on private lands are drawn down in the years ahead, as is anticipated. There have been very significant changes in timber supply sources for the forest product industries in recent years. There will be more changes in the years ahead, dramatic changes. I think it is time to examine the present system of allocating the timber resource of the national forests, to see how efficiently the present system is working, to see if it can be improved.

We cannot ask the Forest Service to make such an examination. The Agency would, in effect, be examining itself, and how productive would that likely be? Should Congress make an examination of this complex subject? Does it have the time? The expertise? I think not.

It is for these reasons that H.R. 6362 provides for an advisory committee. I am well aware of the administration's position in this regard, and I have a similar view. Nevertheless, there are worthy exceptions for every good rule. I believe that an advisory committee to study national forest timber sale procedure is, indeed, a worthy exception.

Mr. Chairman, I would like to say that while I feel the advisory committee is an important element of this bill, I will support the Foley substitute which deletes the advisory committee.

Mr. Chairman, section 14(e) was intended to prevent collusive bidding for national forest timber. The provision first appeared during markup of the House bill, which was parent to the National Forest Management Act. It should be clearly understood that section 14(e) was incorporated into the House bill without the benefit of public hearings. It should also be understood that the provision was substantially extended in conference—from applying only to sales of 1 million board feed or less to applying to all national forest timber sales—despite the fact that the Senate parent to the National Forest Management Act contained no comparable provision.

While the Forest Service has used both oral and sealed bidding in national forest timber sales, the predominant method used in the West—especially the Pacific Northwest—has been oral bidding. Section 14(e) generally calls for the use of sealed bidding. Implementation of the provision has been and remains controversial because it subjects timber purchasers and small communities in many western timber markets to an extraordinary degree of uncertainty.

The Forest Service is, effectively, the only seller of timber in many western timber markets. If a timber purchaser does not successfully bid for national forest timber, he has no alternative source of raw material.

This condition—together with the mechanics of sealed bidding—produce an onerous degree of uncertainty which prompted my introduction of H.R. 6362. Let me review the difference between sealed and oral bidding to aid understanding of the importance of this bill to scores of rural communities in the West whose economies are dependent on natonal forest timber.

Under sealed bidding, timber purchasers are allowed a single bid on the timber offered for sale. All bids are held secret until the day of the sale, at which time they are opened, and the timber is sold to the highest bidder. Under this procedure, a bidder could participate—actively and competently—in several successive timber sales in the timber market in which he operates and not be successful. Because he is unable to capture a national forest timber sale and because of no other supply sources of timber, the bidder will have to shut down any timber processing plants he may operate. Where the plants are located in small communities with a narrow economic base, there will be a loss of jobs for many workers, and the basis for community stability as well.

In contrast, when timber is sold under oral bidding, timber purchasers can make several consecutive bids for a sale. A purchaser who must obtain a sale to continue operating his mill, can react to the bids of other purchasers and secure his necessary raw material. He could even bid above the price he would normally pay so long as he is able to cover the fixed costs of operating his mill. Thus, oral bidding is well-suited to timber markets where there is a single seller of timber, which is the prevailing condition in many timber markets in the West. Repeal of section 14(e) of the National Forest Management Act will assure the full use of that procedure. It will assure that independent millowners in the West have an opportunity to protect their investments. It will assure that plants remain open and jobs secure. Repeal of section 14(e) will assure the existence of scores of rural communities in the West whose economies are dependent upon national forest timber.

There are some who argue that sealed bidding is necessary because it prevents collusion among bidders. Mr. Chairman, that argument is completely fallacious. The fact is there are many examples in the history of antitrust law enforcement of collusion under sealed bidding. Two noteworthy examples are United States against Westinghouse Electric Co. et al., the famous electrical equipment conspiracy of the 1950's and FTC against American Cyanamid Co. et al., the well-known tetracycline case. Sealed bidding in no way prevents collusion.

Mr. Chairman, I am opposed to collusion. I am confident that every Member of the House of Representatives is opposed to collusion. It is against the public interest, and it is unlawful. But repeal of section 14(e) does not remove or diminish the authority of the Secretary of Agriculture to take appropriate action to prevent collusive practices in the sale of national forest timber. Repeal of section 14(e) does not remove or diminish the authority of the Attorney General to enforce the antitrust laws of the United States. Repeal of section 14(e) of the National Forest Management Act, simply, allows the Secretary of Agriculture to use fully the bidding procedure best suited to the circumstances of particular timber markets, thereby assuring stability to many rural communities whose economies are dependent on national forest timber.

In conclusion, Mr. Chairman, I ask for speedy passage of this bill to maintain the stability of our economic community, and I repeat: I will be supporting the Foley substitute.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I rise just to commend the gentleman from Oregon (Mr. WEAVER) for his leadership in this effort to maintain a stable economic base for timber marketing in the West. The bill before us would do that and would correct the very inequitable sealed bid interpretation of the Forest Service. I commend the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, as one who comes from an area which is very involved in timber and lumber management, I can tell the Members that this is in the best interest of the lumber industry and will definitely be in the best interest of the consumer, so I strongly support the gentleman from Oregon.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I am pleased to have been involved with the development of this legislation since its consideration before the Forests Subcommittee. The issue is of limited impact nationally but for those in the Western States who are reliant upon forest products for jobs and a strong local economy, the legislation we consider today is essential.

Historically, our small mill operators have depended upon the practice of oral bidding to insure a stable flow of timber into communities which are almost totally dependent on Federal timber purchases. The milling capacity of these communities represents a substantial capital investment, and it is most often the case that all other economic activity in the area has grown up in support of that basic forest industry.

Concentrated as this milling investment might be, these communities are in no way prepared to compete with large companies within the industry which operate on a regional or national basis. It was for this reason that for many years the Forest Service sanctioned oral auction as a means of contracting specific, rather than random, sales to dependent communities.

The Forest Service performance in implementing the regulations under section 14(e) of the National Forest Management Act has not given one cause for optimism. In initial regulations after NFMA was passed, the Forest Service virtually eliminated the use of oral bidding on national forest timber, a result that was hardly anticipated by the Members of Congress who were involved in the development of 14(e).

On June 2, 1977, the Forest Service published final regulations for the sale of national forest timber. Although under these final regulations the requirements for sealed bidding originally contained in the Forest Service interim regulations are considerably relaxed, the final regulations would still be adverse to the economic stability of local dependent communities.

The final regulations provide that in areas determined by the Forest Service to be dependent, a mix of bidding methods will be used amounting to approximately 75 percent oral and 25 percent sealed bidding by volume. The proportion of volume sold by oral auction may be increased if very large sales are involved or if the volume purchased by firms outside of the tributary area increases above historic levels.

Although the Forest Service is to be commended for significantly improving the final regulations in comparison to those originally drafted, the final regulations still would be adverse to the economic stability of local dependent communities. Even in communities which the Forest Service determines to be substantially dependent upon national forest timber, the Forest Service will offer up to 25 percent of the volume on a sealed bid basis. The "safeguard" which the regulations provide for increasing the percentage of timber offered by oral auction if a substantial portion of the sales end up being purchased by outside firms has the obvious and critical flaw that nothing will be done unless substantial, and in all likelihood permanent and irreparable, damage has been done to the local economy.

Many small operators in certain parts of the country specialize in specific types of sales that have particular species or grades of logs. These small operators must obtain every single sale which comes up having the kinds of products they specialize in. If, by chance, that sale is one of those offered under sealed bidding, it puts the operator in an untenable position due to uncertainty over what he must bid to obtain the sale.

Another difficulty is created by the fact that in the past few years the amount of timber offered from the national forests has been reduced significantly in some parts of the West. In these areas the Forest Service is selling hardly enough to maintain existing mills on a break-even point. Putting into jeopardy 25 percent of the volume in these areas would be enough to severely damage the local economy.

Oral bidding recognizes that these operators usually have no alternative source of timber supply from private lands. It also recognizes that these mills by virtue of their size are highly specialized and must depend upon access to the kinds and volumes of timber which insure their operation on an even schedule. The alternative is eventual closure and community-wide unemployment.

It should be pointed out that a good portion of the land in the Western States is in the Federal domain, and we are heavily dependent on timber sales from national forest. In the East, South, and Southwest, most of the timber-producing acreage is held in private ownership. Thus, it can be readily seen that the problems of the Western and Pacific Northwestern States are unique compared to other parts of the country. While Southern mills and most timber operations in the East can make up unsuccessful bids for Federal timber by bidding on abundant private forest lands, western timber supplies which are bid out of a dependent community's operating area create immediate deficits and eventual closure.

Abuse of oral bidding procedures has been nearly nonexistent in our Western States. Over the years, one indictment has been made and a conviction was obtained by Federal attorneys. It would be unfair to assert from that record that the oral bidding mechanism is the inducement to collusion among timber operators. Where collusion has occurred in Federal contracting, it was because there was a desire to collude, regardless of the bidding or contracting method in use.

The legislation before you today, H.R. 6362, addresses that issue directly in reasserting what has always been this Government's statutory authority all along—namely, to pursue and seek litigation in any circumstances which indicate the possibility of collusion or antitrust activities. The bill calls for an advisory committee to study the matter in depth and report back to Congress. Until we receive that Commission's report, we should not, in the meantime, penalize small western communities by forcing a bidding method upon them which is proving disruptive and contrary to their interests.

We are not asking that the entire forest products industry operate through oral bidding; simply that the West be allowed to resume its historic practice of oral bidding. The decision on the method of bidding to be used would rest, as it always has, in the hands of the Chief of the Forest Service, along with his ongoing responsibility to insure full value to the Government for sale of Federal timber and to insure that the laws on detection and prosecution of collusion are vigorously enforced.

As indicated in the report accompanying the bill, H.R. 6362, repeal of subsection 14(e) would not remove the power of the Forest Service to use the sealed bid method. It would simply remove the qualified congressional mandate to use the sealed bid method contained in that subsection. The Forest Service would be expected to continue its procedures for monitoring and reporting bidding behavior that indicated less than competitive situations.

Mr. Chairman, we have had short experience with sealed bidding in the Pacific Northwest, but we have already seen from its presence the dislocation of significant volumes of timber outside dependent communities that historically processed it. Unemployment in the Pacific Northwest, even within industries related solely to timber products, is already high. This legislation would do much to alleviate the fear of continued mill closures, unemployment, and relocation of our western labor force.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Chairman, I rise in opposition to H.R. 6362 and its counterpart S. 1360.

The timber on U.S. forest lands represents one of the most valuable assets the American people have. It not only produces substantial revenue for the Government, but it provides vitally needed products that help maintain our national way of life.

In an effort to protect this national treasure, Congress, little more than a year ago, directed the Secretary of Agriculture to require sealed bids for the sale of timber in the national forests. This was already the practice in the forests of all sections of the country but the West. There the practice has been to use auctions, with people bidding openly against each other.

There were two main reasons for the action taken by Congress. It wanted to prevent, or at least reduce, collusion among bidders. And it wanted to increase the revenue from timber sales. In the brief time the new bidding procedure has been in operation, it has shown promise of achieving both objectives. And now we have a bill on the floor to repeal it.

Collusion among bidders is hard to prove, but the Justice Department—which opposes this bill—says it has good reason to believe that collusive bidding exists in the sales of Federal timber. And it adds that it is far easier to enter into collusion in an auction than in a sealed bid process. We think that the sealed bidding technique generally provides a method of sale which best guarantees that timber will be available to all interested and that the Government will receive the most competitive price for it. The current statutory provision is thus

in our view entirely appropriate. We see no need for and oppose its alteration at this time by legislation along the lines of S. 1360 as passed by the Senate or H.R. 6362.

The Agriculture Department is also against this bill. Secretary Bergland says there is no basis for repealing, or even amending the existing law at this time. In the opinion of Secretary Bergland, the Department of Agriculture regulations provide ample protection to those communities where lumber companies are dependent on national forests for their timber.

The Office of Management and Budget opposes passage of H.R. 6362. A study conducted by the Forest Service shows that in just one section of the Cascade Mountains, sealed bidding for timber sales over a 6-month period produced $116 million more than the Forest Service's appraised price. In another section of the Cascades, where timber was sold at auctions, the total revenue for the period was only $19.2 million over the appraised price.

Mr. Chairman, there can be no justification at this time for Congress repealing a law that has barely begun to operate. And it is especially inappropriate to take such action when the early returns on the effect of the law show that it is working and can produce the results which were intended.

This is the public's property that we are selling. We owe it to the American people to protect that property against collusive bidding and to obtain the best price possible for it. We can do that by leaving the present law intact.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I am delighted to yield to the gentleman.

Mr. DUNCAN of Oregon. As usual the distinguished gentleman from Texas, I think, has posed the only two arguments that could possibly be advanced in opposition to this bill; one, the assumption that collusion will vanish if we sell this timber at sealed bid, and that it will prosper if we sell it at oral bid. I would like to suggest to the gentleman that his assumption there is absolutely fallacious, and that there is no evidence to support the proposition——

The CHAIRMAN. The time of the gentleman from Texas (Mr. BROOKS) has expired.

Mr. DUNCAN of Oregon. Mr. Chairman, I ask unanimous consent that the gentleman be granted 3 additional minutes.

The CHAIRMAN. The time is controlled by the gentleman from Oregon (Mr. WEAVER). The gentleman's time has expired.

Mr. WEAVER. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Chairman, I have been in this House now for 3 years, and I have never seen as much lobbying of Members of the House as on this piece of legislation. This is despite the fact that this legislation is supposed to jeopardize only the small mill operator. Obviously, we would not have seen this type of activity if the opposition had not been true.

First of all, I think it should be stated in no uncertain terms that both the Department of Agriculture and the Justice Department are opposed to this bill, and they are opposed to it for good reasons. This bill, as has already been stated, has been on the books for approximately 14 months. During the 14 months this legislation has been on the books, despite the statements that have been made from the well earlier, there has not been a single mill closed in the Northwest and California as a result of sealed bidding use.

I have a letter from the Chief of Forestry, dated January 23, 1978, to that effect.

Furthermore, there is no question that in those areas of the United States where oral bidding had been used prior to 1976 and this is in the Northwest and California, in contrast to the Eastern and Southern States and the Lake States, where sealed bidding is all that has been used, and in those States they have never had any problems with collusive bidding, but in the Northwest and California, if we look at the figures we will see there has been ample evidence of collusive bidding, unless one is blind.

It is for this reason that we at the present time have six grand jury investigations in California and the Northwest through local collusive bidding. Some have already told us, and I am sure others will tell us, that collusive practices and precollusive practices are just as easy under sealed bidding as under oral bidding. This simply is not true. It is not true because under sealed bidding there is an element of surprise that we do not have under oral bidding. It is for this reason and this reason only that the timber industry would like to go back to the old days that existed prior to 1976 when some of them, not all of them, but some of them, engaged in practices that I submit are highly detrimental to the well-being of the American taxpayer.

Why do I say that? In the first 9 months of 1977, which has been the first year that this legislation has been in effect, the amount of money that has been paid under sealed bidding in excess of the amount of money paid under oral bidding in the Northwest and California has added up to the high amount of $28 million for 9 months only; so we can imagine what it would be for the whole year.

It is exactly for this reason we have seen all the lobbying going on for the last couple weeks.

Now, the committee voted this bill out by a landslide vote of 22 to 20. I think this should be some indication to us as to whether this, indeed, would be in the best interests of the American taxpayers to vote for this piece of legislation.

We have also heard claims made earlier in this well that supposedly in the Northwest and California that a national forest has a monopoly on timber. Let us look at the fact. The fact is that in a letter that I received from the Congressional Research Service, dated February 6, 1978, the State of Washington showed the following figures: 82 percent of the wood, the timber that has been sold and was sold in that year came from nonnational forests and only 18 percent from the national forests.

Oregon: 63 percent from the nonnational forests, 37 percent from the national forests.

California: 64 percent from the nonnational forests, only 36 percent from the national forests.

The same pattern is true for Idaho and Montana; so how can anyone stand here and tell us there is a monopoly in national timber in the States of Washington, California, Oregon, Idaho, and Montana?

Now, there is one additional figure I would like to share with you. In region one last year, this involves Idaho and Montana, the bids on the sale from sealed bidding were 25 percent higher than oral bids.

In region 5, which is California west of the Sierra Nevada, 38 percent; and in region 6, which is Oregon and Washington, 36 percent higher under sealed bids.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, prior to enactment of the National Forest Management Act, oral bidding was commonly used in timber sales from our national forests in the Northwest and in California while sealed bidding was used in the eastern national forests. This mixture of bidding procedures was in recognition of the unique characteristics of these different markets and permitted the necessary flexibility.

Subsection 14(e) of the National Forest Management Act requiring sealed bidding on all timber sales has removed this flexibility and imposed an unworkable bidding system on our mill owners in the Northwest and California.

Our mills have no alternative source of timber. They are dependent on sales from our national forests to insure a sufficient supply of timber to keep the mills operating. Oral bidding provided for an atmosphere of open competition and active bidding which assured purchasers an opportunity to obtain the timber necessary for them to maintain their operations. On the other hand, sealed bidding permits only one bid with no alternative action available if it is rejected. As a result, the economic viability of these businesses and our communities is being threatened.

In addition, the stated purpose of the sealed bidding requirement was to obviate collusion among bidders for national forest system timber. Yet, collusion in oral auction bidding is not pervasive as evidenced by the fact that the Justice Department has had only one indictment in 17 years during which time there have been thousands of sales valued at $0.5 billion annually.

Sealed bidding has gone through the test of time and has proven to be unsatisfactory. I urge my colleagues to support our efforts to correct this situation.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, today the House is considering a measure of great importance to the future economy of the western timber industry, H.R. 6362. I certainly sympathize with those in the Congress who are unfamiliar with the problems of western timber concerns. During the past few legislative days all of us have been deluged with "Dear Colleague" letters from both sides of the issue, including my own.

Stated quite simply, H.R. 6362 would establish an independent 17-member Advisory Committee on Timber Sales Procedure to determine by January 1, 1979, the manner in which U.S. Forest Service timber is appraised, put up for sale, bid, and priced. The measure would also repeal subsection (e) of section 14 of the National Forest Management Act of 1976 which required the sealed bidding of all U.S. Forest Service timber sales except where determined by the Secretary of Agriculture.

My main concern with the bill, however, centers around this latter provision. For decades the West and Northwest have held timber auctions by oral bidding rather than sealed bidding. With enactment of Public Law 94–588, which eliminated the long held tradition of oral bidding, the timber industry west of the Mississippi was thrown into a quandry. Consequently this measure seeks to readjust what has amounted to an economically disastrous timber policy.

As the representative from the 18th District of California, which includes both the Sequoia and Inyo National Forests, I have a special stake in the outcome of this bill today. For the past 2 years I have seen firsthand the drawbacks of sealed bidding in the West. It is not working, and the outlook for local timber economies is extremely shaky at best.

By no means do I want to confuse the necessity of oral bidding in the West with sealed bidding in the South and East. The situations simply are not analagous, and this bill does not seek to press on the East and South the necessities of oral bidding in the West. The reason for the differences, however, is quite simple. Between 1964 and 1972 the East and South averaged timber sales of 800,000 board feet in comparison to the sales of over 11 million board feet in California alone during the same period. Furthermore, national forest timber comprises approximately 6 percent of the timber supply in the South while many communities out West are entirely dependent on national forest timber.

With these statistics in mind the need for oral bidding becomes obvious. A one industry town dealing in timber seeks to bid for the opportunity to cut certain timber in national forest lands. The representative from the mill congregates with other such representatives across the table and bids in open auction. With this opportunity to bid for valuable timber orally, all competitors are able to determine the going bid for timber.

Had sealed bids been used, the mill operator would have submitted what he regarded as a high bid. Later, he might find that his bid was too low and that he lost the one opportunity to make his timber operation solvent. The inherent problems for a small timber community are obviously overwhelming.

One more aspect of oral bidding I would like to stress is the concern over collusive practice. Quite frankly, collusion in oral auction bidding simply is not as pervasive as critics of this bill contend. Furthermore, the Justice Department has investigated less than a dozen investigations in the past 17 years with sales amounting to $500 million annually. I want to make it further understood that through enactment of this measure collusive practices will be minimized through the discretionary power given to the Secretary of Agriculture.

I regret the controversy which has surrounded such a simple and forthright concept in establishing oral bidding in the West. Safeguards have been set, and the Western timber industry can once again return to a reliable means of sustaining what otherwise would be a precarious and unstable economy.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, I would like to have this opportunity to put things in perspective, as this debate continues between the merits of sealed bidding against oral bidding.

I think it is important to look at the legislative history and what was intended at the time the National Forest Management Act of 1976 was passed. It was very clear that Congress did not intend 100 percent sealed bidding although that was the initial Forest Service interpretation. Later the Forest Service changed its interpretation to 75 percent oral and 25 percent sealed bidding. We need this legislation to clear the record.

Opponents of oral bidding argue that it is easier to have collusion under such a method than under sealed bidding. Forest Service Chief John McGuire has testified that there is no evidence to support the conclusion that sealed bidding does any more to reduce collusion than oral auction. No evidence has ever been presented to Congress to support this conclusion. In over 70 years, there has been only one conviction of collusion in the timber industry. Certainly this record is not one which would support the need for drastic changes in present policies.

It can be argued that individuals prone to collude will do so under any bidding system. If collusion is occurring, the guilty should be prosecuted.

Mr. Chairman, you have hundreds of communities today dependent on National Forest timber. When I say dependent, they have one mill, two mills, and those bills must have logs if the community is to survive. Under oral bidding mill operators will bid much higher than the true value if necessary, to make sure they have a supply of logs to keep their mill going. Under sealed biding this kind of self protection is impossible.

If sealed bidding becomes the sole bidding procedure in the West, we are going to see towns with 15, 20, and 25 percent unemployment.

Mr. Chairman, it is important to point out that under either bidding method, oral or sealed, the public interest is fully protected because the sale cannot be sold for less than its fair market value as determined by the Forest Service in an appraisal. Where bids greatly exceed the appraised fari market value, the Government is most often extracting a premium price because of the scarcity of available timber and because the Government is a monopoly timber owner in many parts of the country. This premium for the raw material is immediately reflected in increased prices for wood products and in the housing with which it goes. Even if sealed bidding produces higher prices, and the evidence thereon is not at all satisfactory or definitive, it is not necessarily a desirable result. Inflation is still the No. 1 concern of the country. The Government should get a fair price—and will under the proposal under debate—but, of all parties, the Government should be the last to seek to extract the last cent and thus add to the flames of inflation while it preaches restraint to labor and management on the question of wage and price increases.

Mr. WEAVER. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Chairman, I rise in support of this legislation and the substitute to be offered by the distinguished gentleman from Washington, the chairman of the Committee on Agriculture (Mr. FOLEY).

My part of the country is not directly affected by this bill. I know, however, there may be a number from the South here today listening to this debate. We do happen to have sealed bidding in the South, and have had it for a long while. It works because only about 6 percent of the timber sold in the South is from national forest lands. The rest is from privately owned lands.

In the West, of course, obviously the situation is quite different. There are some communities where 100 percent of the timber is Federal timber and, therefore, the entire existence of the community is in severe jeopardy under the present practice of sealed bidding.

I think one might well consider the statement made by the Chief of the Forest Service, John McGuire, who said in his testimony:

> There is no sound evidence that sealed bidding is any more effective in reducing collusion than is oral auction. Those inclined to collude will do so under any method. There is no substantial difference in risk of collusion whether oral or sealed bidding is used.

Mr. Chairman, the timber producers of the South feel that the West should be allowed to continue its historically

established and proved practice of open or oral bidding. Sealed bidding is appropriate for our part of the country, but open bidding is more appropriate for the West, and I urge my colleagues to support the amendment in the nature of a substitute to be offered by the gentleman from Washington (Mr. FOLEY).

Mr. WEAVER. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, the simple issue that is before us is the repeal of the law that is presently on the books and has only been on the books for 14 months. The issue really is whether this body wants to do anything about collusion that takes place in the sale of timber in our national forest areas. It is not my judgment that collusion exists. It is the judgment of the Department of Justice, in testimony and letters presented to the committee. Indeed, since 1960, the Department of Justice has investigated collusion in 10 areas and has brought criminal cases, and convictions have been rendered. What led to the passage of 14(e) was the fact that collusion did exist in the sale of timber. Subsection 14(e) is a flexible law. It gives the Secretary the discretion to decide whether sealed bidding should be used and whether oral bidding should be used. In fact, regulations were issued under this law only in June 1977 and in the issuance of those regulations, 25 percent of the dependent communities were required to have sealed bidding; 75 percent were allowed oral bidding. So what are we arguing about? The flexibility is here under the law. The Secretary of Agriculture says give us a chance to have this law work. That is all we are asking for. Let us see if this deals with the problem of collusion. Let us not proceed to repeal a law which has not had a chance to work and try to deal with the problem and the possibility of collusion. Let us not repeal 14(e).

Mr. WEAVER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I am proud of our colleague, the gentleman from California (Mr. KREBS) for standing up on this issue in the public interest. I hear a lot of Fourth of July speeches about the free enterprise system. Let us make it competitive. Let us have the sealed bids. The experience in 14 months is that we get 25 percent more money for the public. That is what this is all about—whether that 25 percent goes to the public or whether it goes to a few lumber giants. I think our stand clearly ought to be for the public.

There is a Senator from Minnesota, MURIEL HUMPHREY, who was sworn in today over on the Senate side. Her husband worked hard in this area, and let me quote a couple of sentences from Hubert Humphrey:

> I am concerned that changing this law would give a small number of lumber giants the opportunity to engage in bidding practices which would possibly give them timber at a cost lower than would occur with sealed bidding. In fact, statistics support this concern.
>
> Now, this does not mean that oral bidding cannot take place. In fact, just the opposite is true. Oral bidding can and will take place when and where the Forest Service believes it is necessary to preserve the economic viability of local communities.

I have heard no one complain to my colleague, the gentleman from California, when he said that in 14 months not a single community has been hurt and not one single mill has been shut down because we have had genuine, competitive bidding.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to my friend, the gentleman from Idaho, who believes in the free enterprise system. I have heard him talk a great deal about that on this floor.

Mr. SYMMS. Mr. Chairman, I thank the gentleman very much for yielding.

I just wish to ask the gentleman this: Do they not sell cattle in Illinois by auction, through oral auctions? I always thought that was free enterprise.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

Mr. WEAVER. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, let me say that the talk of lumber giants being benefited by open bidding is just simply the furthest thing from the truth. The people who are going to be out of business are the little lumber mills that operate in an area totally surrounded by national forests. They are in areas where they are totally dependent upon national forests.

What can happen here is that the giants can come in from across the mountain and in a sealed bid take all of the timber out from under the local mills and leave them totally without a lumber supply. Community stability is at stake.

We should remember that under procedures in the Foley substitute there is an appraisal made of the timber in the sale. This appraisal determines the market value as determined by comparable sales. That is where they start. They do not sell this timber below this appraised valuation. So we should not believe this argument that somebody is going to come in and buy timber at less than market valuation.

After the appraisal is made, sealed bids are called for followed by an oral auction. This is what allows the local mills to stay in business. They can bid the price up and get the sales they need to stay in business.

I urge support of the Foley substitute.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I had not intended to participate in this debate at this time because I know that the gentleman from Washington (Mr. FOLEY) is going to offer a substitute which most of us will endorse. But there have been some questions raised, and I suppose because of the interest of the Members who have raised them, we should answer them here in this debate. Obviously the gentleman from California (Mr. KREBS), the gentleman from California (Mr. PANETTA), and the gentleman from Illinois (Mr. SIMON) would like to hear the answers.

I yielded to the gentleman from Texas (Mr. BROOKS) because he could not get time on his own side to try to give his point of view. These points of view that have been presented, as I see them, are not correct, and they should be answered.

I come from an area in Colorado where there are located three small timber mills, and we are not really very much affected by this particular situation. I am the ranking member of this subcommittee, however, and I feel that I have some knowledge that has not been expressed here today. I feel that the expressions that have been given lead to wrong impressions. They could leave one with the wrong conclusion even if we listen very carefully to the opposite views already given.

Therefore, I would like to spend just a little time, if I might, in discussing where 14(e) came from and what it was originally intended to do and how, as a result of the misinterpretation of the Forest Service and their twisting of the original language, we now find ourselves in a dilemma.

It was never intended that there would be a sealed bidding method used in totality. At the time that we passed 14(e) we thought we were going to stay with the oral auction method in most cases. Because the gentleman from California (Mr. KREBS) was concerned about the one incident in which they had a conviction of collusion under the oral auction system—that system has been going on for 17 years in the West, and they had one conviction—he felt because he was familiar with that particular circumstance that something should be done about it.

All of us, of course, would not favor collusion. Everybody is obviously opposed to collusion, so we did incorporate the language of section 14(e). The Forest Service at the conference committee assured us that they would not go to 100-percent sealed bidding. They were going to stay with the oral auction system.

After we passed the bill, lo and behold, they decided there was going to be 100 percent sealed bidding. That was their interpretation, that there had to be, under section 14(e) 100 percent sealed bidding.

The gentleman from Oregon (Mr. WEAVER) and I reminded them of the previous situation, so they have modified it so that now it only requires 25 percent.

They have vacillated all over the lot, and they really have not paid too much attention to the legitimate requirements of the people in the Northwest.

Mr. Chairman, I have been asking for some time about the question of collusion. There is one gentleman who no longer is with the Justice Department who has written a letter saying that it is easier to collude under the oral auction method than it is under the sealed bidding method.

When I ask them, "Why?", they just say, "Just because it is."

Will you please tell me the difference. If we really have a group of people who want to collude, can they not collude just as easily with one system as they can with the other?

The Chief of the Forest Service says that he cannot see any difference. I ask you if you can see any real difference in the methods. Why is it that one can, all of a sudden, collude more easily under the oral auction system than he can under the sealed bidding system?

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I want to join in supporting the gentleman's argument. I think it is very profound.

I would like to ask the gentleman if it is not true that some of the great antitrust cases were based upon collusive bidding. For example, out in our State, I can recall millions of dollars being recovered by school districts because of collusion in the sale of athletic equipment, every one of them under a sealed bid.

Asphalt manufacturing was another big case. All of those asphalt bids were under seal.

Mr. JOHNSON of Colorado. Municipal bonds also.

Mr. DUNCAN of Oregon. Municipal bonds also. The assumption that there is not going to be any collusion under sealed bidding is a fallacious one. Nobody wants collusive bidding.

Is it not true that the Senate bill that will be offered as a substitute contains specific instructions to the Secretary of Agriculture to prevent collusion and to use whatever bidding system might be suitable to prevent it? Is that not right?

Mr. JOHNSON of Colorado. The gentleman is absolutely correct.

Mr. DUNCAN of Oregon. All we are really doing is removing the mandate.

Mr. JOHNSON of Colorado. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

(By unanimous consent, Mr. JOHNSON of Colorado was allowed to proceed for 3 additional minutes.)

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I am glad to yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, I am not from the Northwest, but I am from the West, as the gentleman knows. I come from San Francisco, from the suburbs, which do not have any big timber lands. There are none in my district. They do not have much of anything except for a few eucalyptus trees that surround the Golden Gate National Cemetery. Some of them were blown down a few weeks ago.

Mr. JOHNSON of Colorado. I know about that.

Mr. RYAN. We are trying to get a little subsidy there on the east bank for some dead trees which are causing some problems. However, I am not here to argue that matter.

I am interested in supporting the bill we have here. I am interested in the fact that almost all the Members from Oregon, Washington, Colorado, and up in that area are in support of this legislation.

I am interested in the fact that one of the most distinguished of our colleagues on this floor, the gentleman from Oregon (Mr. AL ULLMAN), speaks eloquently in favor of the small town and the small bidder who will be or is economically affected by this legislation.

I can sympathize with that position, but then I listened to the chairman of the full Committee on Government Operations, who has a long reputation in this Chamber for pursuing relentlessly the best value for the consumers, that is, the taxpayer's dollar, on this floor. He yields to no one in his capacity to be successful in doing that.

The gentleman from Texas (Mr. BROOKS) is opposed to it. Why is the gentleman opposed to it? Because the gentleman says it would cost the taxpayers more money. I have heard no one challenge that fact here on the floor.

Mr. JOHNSON of Colorado. I intend to get into that later.

Mr. RYAN. That will be fine, and I wish the gentleman would do that.

The $116 million, if the figure is correct, is a significant factor as far as I am concerned because I am for the taxpayers because that is also me in South San Francisco and in Burlingame and other areas where other taxpayers reside. Of course, as taxpayers we have a certain sympathy for the small towns in Oregon because those small ones cannot be as efficient as the giant corporate interests and they can submit lower sealed bids.

Is not the purpose of using the system of sealed bids because you only get one shot at it in a sealed bid? And therefore you will get to the point where there is intense competition and where there is intense competition then there is a lower one-shot bid which is lower than you are going to get if people begin to mill around—and that is not a play on words—in a particular area where there is going to be a contract let, and so the bidding itself begins at a much higher level than it would otherwise?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield myself 3 additional minutes. I trust the gentleman can finish his question soon.

Mr. RYAN. If the gentleman will yield still further, in other words, is it not going to allow for a higher low bid if we go to open bidding than under the sealed bidding system, under the previous system?

Then finally, why the sudden change after 14 months of an operation? Why do we go back to what it was? What has happened?

Mr. JOHNSON of Colorado. Mr. Chairman, to answer the gentleman's last question first, I have tried to explain earlier the interpretation that the Forest Service has placed upon section 14(e) is not what those of us who drafted the language expected it would be, so we do not have the result that we had in mind when we passed the Timber Management Act of 1976.

You will have to discern for yourself the difference in collusion and the possibility of collusion between the oral auction system and the sealed bid system, and I submit that there is not that much difference, and that either way you can get cheating if they want to do so. The fact is the Forest Service agrees with that. Only one person in the Justice Department has ever contradicted that, and we tend to rely on him too much, I think.

With reference to the amount that has been paid in, which the gentleman from Texas (Mr. BROOKS) has raised, I can tell you that there has been an increased amount of money that has come into the system, which the gentleman has acknowledged. The Forest Service says they are not yet sure whether this is because of the shift in methods because it has been only a short period of time that it has been in use.

I submit to the gentleman, and I will give the gentleman the argument, that there may be an increased amount of money under the sealed bid method. I do not accept that myself, but I will give it to you, just for the purpose of argument at this point because you wind up at the same place eventually.

You are talking about money that comes into the Federal Treasury, that is in terms of Federal income a very small amount of money, but it raises costs of doing business by the smaller timber operator and he will have to pass it on to his customer. The amount of money that comes to the Federal Government is relatively negligible under this system but the costs incurred by the small timber operator are significant as far as they are concerned. It is going to mean increased costs for them, so you will have to rely more and more on the large timber operators.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I will yield to the gentleman from Idaho (Mr. SYMMS) and the other gentleman in just a moment.

The gentleman from Oregon (Mr. ULLMAN) made the point that this is a small timber operator's bill. That is exactly right.

I do not want to get too personal on this, but none of the large timber companies have an interest in this bill, Weyerhaeuser, International Paper, Georgia Pacific, Louisiana Pacific, St. Regis, they do not have an interest in this bill because they harvest from private lands.

The companies that are interested in this are the small timber operators—not the large ones but the small ones. The gentleman from Oregon (Mr. ULLMAN) has made that point, and I just want to emphasize it.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. Now I will be glad to yield to the phalanx facing me, and I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

I would say if the large timber operators are not involved in this, then the little ones have nothing to fear from each other.

Mr. JOHNSON of Colorado. That is not correct, and that is because the gentleman does not understand the problem they have out there.

Mr. BROOKS. Let me give the gentleman one answer to his question about collusion. I did not say that collusion would be eliminated by the sealed bidding. Everybody understands that one can rig the sealed bids rather handily if you have a good working understanding with the participants. But what the Department of Justice is indicating is that they feel that it is much easier to have collusive bidding in oral bidding, and I will tell the gentleman how. All you have to do when you have oral bidding is if the gentleman is leasing his trucks from me, and he is bidding against me, and I bid so much a thousand for that timber stand—and the gentleman is leasing his trucks from me—and I am just looking at the gentleman, and I like him; he is a fine, able, intelligent, articulate, hard working gentleman.

Mr. JOHNSON of Colorado. The gentleman is going to persuade me.

Mr. BROOKS. The gentleman will be leasing trucks from somebody else tomorrow maybe if he bids against me. That is what happens in oral bidding. It is not a matter of a fixed operation; it is just the intuitive pressure that you put on people. You do not have to tell them. If you have to tell them, you are in grade school. You just visit with them, and they understand. People with thievery in their hearts do not have to lay out the plan. They understand instinctively.

Mr. JOHNSON of Colorado. Mr. Chairman, I take back my time and deny that is what has happened. That is not what has happened. The testimony and the experience on the bidding in the West is contrary to what the gentleman just said. I would like to point out that what has actually happened in the West is that this oral bidding system has been what has allowed the smaller timber operator to maintain his operation. They have to have enough in the way of timber contracts so that they can plan their future operations. The only way they can contract is when they know that they can get the contract by oral bidding, and those people in the local areas will bid whatever is necessary to get the timber contract necessary.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado I yield to the gentleman from Oregon.

Mr. AuCOIN. I appreciate the gentleman's yielding. I want to associate myself with the many points the gentleman has made today, and particularly the one that answered the assertion that the supposed increase in revenues from the sealed bidding method plays to the public interest. I think the gentleman makes the absolutely unassailable point, the one I can identify with, serving as I do as chairman of the cost of housing task force of the Housing Subcommittee, that any increase that is gained by that method is going to be passed along in component costs of housing, in lumber prices that go into the manufacture of every house built in this country that uses Federal timber. To say that contributing to the escalating cost of housing—already running 30 percent higher than the rise in general prices—is a help to the consumer is astounding to me. I think the gentleman makes a very good point, and I want to commend the gentleman.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I would like to make the point that the reason we want to act on this now is we do not want to wait until these mills are closing. I think that the gentleman from California (Mr. RYAN) brought the question up. I see this as a bigger concentration of big companies if the bidding procedure is not corrected, so the exact opposite of what the gentleman from California (Mr. KREBS) is afraid will happen will happen.

I would like to point to today's Wall Street Journal on page 8:

Stiff Penalties For Price Fixing Levied by Court

Eight Electric Device Firms, 11 Officers Get Big Fines, Prison Terms, No Parole.

Most of this business, as I understand it, was done through written or sealed bids; it was not done through oral options, and I would like to make the point.

I would like to substantiate what the gentleman from Oregon (Mr. ULLMAN) said about the small towns. For example, in my district the town of Princeton, Idaho, has one sawmill. It is the primary employer of everyone who works and lives in the town. They do not have large stands of privately held timber, so they have to buy timber from either the State of Idaho or the Federal Government—primarily the Federal Government.

Presently our State timberlands are being overcut to offset the restriction of Federal timber, but the dislocation and disruption in the towns is unbelievable because of the fact that people are wondering whether this small lumber company will get a bid. There are companies like the Weyerhauser and the Louisiana Pacific Co., and Georgia Pacific, who own or have large tracts of timber who are not as concerned about whether they get a particular bid or not to keep a mill open. It is the small company that is hurt in this, and that is why the gentleman from Colorado so correctly stated that the real interest in this is from the small lumber companies who do not own large stands of private timber and also from some large companies that do not have the timber.

Mr. JOHNSON of Colorado. The gentleman has made the point that I as one who comes from an area not as vitally involved has listened to the testimony and the evidence and reached that conclusion. The gentleman has stated it very well.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Montana.

Mr. Chairman, I address a question to the gentleman from California about the question he raised, and I will tell the Members what has happened. The mills are closed. The Forest Service has been unyielding in its position on oral and sealed bids despite the fact that 25 percent were supposed to be sealed bids and 75 percent were supposed to be oral bids. There have been no bids left in Montana in the past 14 months. The gentleman is correct. It is a question of giants, of whether the giants control the timber industry and whether they get all the timber or whether some of the smaller mills have the opportunity to raise the bid one last time to get enough timber to keep themselves in operation, and when only the giants are left then we will see collusion in the timber industry.

I have one other point I would like to make: I would ask the gentlemen, my colleagues: Have they ever seen collusion at an auction sale?

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. KREBS. Mr. Chairman, I thank the gentleman from Colorado for yielding.

Mr. Chairman, first of all I think the gentleman in the well has stated that he was concerned only about one conviction, but I was concerned about a pattern existing in California, Washington, and Oregon.

Mr. JOHNSON of Colorado. The gentleman will acknowledge there was only one conviction.

Mr. KREBS. But there were six other grand jury investigations.

Mr. JOHNSON of Colorado. But there was only one conviction.

Mr. KREBS. But there were six other cases investigated by the grand jury.

Mr. JOHNSON of Colorado. But we are still faced with only one conviction.

Mr. KREBS. And six grand jury investigations.

The gentleman also correctly stated that promulgations by the Secretary of Agriculture involved 100 percent sealed bidding.

Mr. JOHNSON of Colorado. As they originally came out, they did.

Mr. KREBS. But that is what we have now. Since June 2 of last year we have only 25 percent sealed bidding.

Mr. JOHNSON of Colorado. That is correct. But if the gentleman will acknowledge, there is nothing to prevent the Forest Service going back to 100 percent sealed bidding. They flip-flop back and forth, so we do not know what they will ever do.

Mr. KREBS. Let me go back to the gentleman from Montana. I am a little curious about the position he has taken,

because I have a letter from Earl B. Salmonson, chief of the Forest Management Bureau, Division of Forestry, of the State of Montana. Does the gentleman know the State of Montana since 1925 has been using sealed bidding exclusively in the sale of its timber from its State-owned forests? More than that, let me read this to the gentleman:

> We have not had inquiries or requests to have oral auction bids, and to my knowledeg, there has been no effort to get the law changed to permit oral auction on State timber sales.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I thank the gentleman for yielding. I shall try to be brief.

Mr. Chairman, I have heard two fundamental arguments for moving ahead with this legislation. One is that oral bidding is just as effective and the second argument is that sealed bidding is going to drive prices up on housing. Obviously there is a slight contradiction. And if my friend, the gentleman from Colorado and my friend, the gentleman from Oregon—and I have great respect for both of them—are correct that sealed bidding sends prices up and therefore costs of lumber, then that is going to be passed on to the consumers, but by that argument we ought to give this lumber away, that is the timber on the public land.

Mr. JOHNSON of Colorado. It might not be a bad idea.

Mr. SIMON. I do not advocate that for a number of reasons. But I think our colleague, the gentleman from California (Mr. KREBS), has hit a right note and I certainly support him in this.

Mr. WEAVER. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, reduced to its simplest terms, we have here an issue in which the Justice Department has taken the attitude that "we haven't been very successful in convicting people for collusive bidding on Federal timber, so let's support legislation to take it out on those smaller firms who might want to cheat."

There are a few simple facts about lumbering in the Northwest which are central to this issue:

Smaller firms are nearly totally dependent upon a local supply of public timber. Loss of that supply threatens the survival of smaller firms. Smaller firms already face increased competition for a supply of public logs which is not keeping pace with demand. One of the reasons is that larger firms can export their own logs to Japan and turn around and compete for Federal timber to process in their mills. Oral auction is the means by which smaller mills can assure themselves a supply of logs.

What is amazing to me is that the Justice Department seems to have taken that very dependency upon local timber supplies for small mills as a reason for putting even more of a squeeze on them. The Justice Department seems to oppose oral auction precisely because it does guarantee a local supply.

The Justice Department has stated:

> In the past, oral bidding has permitted timber buyers to dominate timber sales in certain areas . . . When timber sales are offered within that area, the company bids to whatever level is necessary to purchase the timber.

And that is precisely the point. That is the virtue of oral bidding if you are a small mill totally dependent upon a local supply or a particular sale. A thirsty man will pay a lot for a glass of water.

But the Justice Department treats that virtue as a vice by claiming that this practice dissuades other bidders from entering the auction. Surely that, to the extent it does occur, is not collusion—it is survival.

The Justice Department, for all the fuss about this issue, has managed one case in which it got some convictions, and lost the only other case it got through a grand jury. This one case and a string of hypotheticals constitute the Justice Department case against oral auction.

The other argument raised against oral auction is that it returns less money to the Federal Government than does sealed bidding. Even though the Forest Service maintains that the data is still inconclusive on this point, even if true, is that any reason to drive another nail in the coffin of small mills? Many other Government programs, including the small business set-asides, recognize the national interest in maintaining the viability of small mills. I doubt that obtaining a few more dollars for the Treasury outweighs the survival of independent mills.

There is no better way to guarantee a tightly knit forest products industry dominated by a few giants than to prevent oral auction where it has historically been used. And I might add that the Justice Department record in price-fixing cases involving an industry dominated by a few giants is not so hot. In the long run, both the Treasury and the consumer—not to mention many smaller communities in the Northwest—will be the losers.

I hope it is unnecessary to add that this legislation is not an invitation to collusive bidding. When a smaller mill engages in illegal bidding—whether by sealed bid or oral bid—it should suffer the consequences, and this modification of the Forest Practices Management Act retains full authority to monitor bidding and take whatever action is necessary to prevent collusive bidding. All this legislation does is remove the statutory presumption in favor of sealed bidding.

Mr. Chairman, I urge support of this legislation. The Justice Department will survive its passage and continue to prosecute cases of rigged bidding. More importantly, it will help the little guys of western forestry survive.

Mr. Chairman, most of us in the Northwest support this legislation for one very good reason, and that is because our areas are primarily dependent on timber and the wood products industry. And we also represent—most of us—very small mills, and we want to see those mills survive.

I know that in my particular area we have experienced, over the last 4 to 6 years, a rather frightening decline of the small mill and the small lumber operator. This is due, in part, to the export of Federal logs and the fact that our mills have to compete with Japanese industry; but it also represents, I think, a continuing threat to small industry regardless of what line of work they are in.

My friend from Illinois said that he could not name one mill that has closed in the last 14 months, since this legislation has been in effect. But I have here a list of 16 sawmills and 4 plywood plants that have closed down in 1977. Whether we can attribute this to the sealed bid requirement or because it is just a combination of factors which have impacted these small businesses, the fact still remains that we are experiencing an undue decline of the small lumber mill in the Northwest.

I would like also to point out that so long as we have sealed bids, we are going to maintain artificially high prices on the cost of timber. It is important to remember that the Department of Agriculture appraises the land and sets a minimum amount so that the Govermnent can protect its investment. The program also has built-in guarantees against lower bid prices, but if we maintain artificially high prices through the sealed bidding system then we risk passing on higher prices to the consumers.

Mr. WEAVER. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky (Mr. BRECKINRIDGE).

Mr. BRECKINRIDGE. Mr. Chairman, I think there is little to add to the debate at this point, except that I personally find our predicament rather anomalous. The often-referred to opinion of the Department of Justice is an opinion penned by Antitrust Assistant Attorney General, Mr. Donald Baker, a man who was hired by the previous administration and who expressed in that opinion his views to a Democratic administration.

I would also note that, in addition to the Department of Justice views as expressed by Mr. Baker, that, strangely enough, the Office of Management and Budget—which, if it does nothing else, concerns itself with the taxpayers' dollars—is opposed to the views being advanced on the other side today, as is Secretary Bergland who represents and speaks for the Department of Agriculture.

Let me address, from that opinion, one or two of the positions made here today. We all know that fraud is available to those who would perpetrate it. We also know that as a matter of national practice at the Federal, at the State, and at the local levels, that that formula calculated to subvert would-be-fraud is the sealed bid process. As Mr. Baker said, we believe this because each bidder has only one bid, and the bids of others are secret. Therefore, each bidder must bid at a level which corresponds to his interest at that sale. To implement a collusive

arrangement under a sealed bid, a bidder would have to arrange the amounts bid by every active bidder. We all recognize the fact that it can be done, it has been done, it will be done, and it will be prosecuted; but, again, it is much more difficult to arrange collusive practices in the case of sealed bid than in the case of oral bids.

Of the ongoing six investigations referred to here, each will be tolled by the action of this committee today in support of this legislation.

Mr. WEAVER. Mr. Chairman, I yield 2 minutes to the gentleman from Montana (Mr. BAUCUS).

Mr. BAUCUS. Mr. Chairman, I need not repeat all the arguments we have heard so eloquently stated by the gentleman from Colorado, the gentleman from Idaho and others, in favor of this bill, and in favor of the Foley substitute.

Let me give another perspective to the discussion here by pointing out that in my State, particularly in western Montana, 51 percent of our State's income is attributable to the forest products industry. During these last several years the land base that is available for timber production, particularly public lands, is diminishing due to the many pressures affecting the use of public lands.

There are mills, particularly our small mills in Montana, that are in a very precarious balance. The gentleman from California (Mr. KREBS) stated that no mills have gone out of business, because of sealed bidding. I can tell the gentleman from California that mills in Montana in the last year have closed. I do not know whether this is due to sealed bidding or not, but I can say this: the practice in Montana is predominantly oral and if we go to sealed bidding, the likelihood is greater that the mills will have to close.

The gentleman also states that the State of Montana prefers sealed bidding. I might say to the gentleman that that is because there is virtually no State land involved in timber sales. In my State only 2 percent of timber sales are involved in State timberlands, whereas 60 percent are involved in Federal forest lands.

It is the smaller operators, not the larger ones, but the smaller ones that are dependent on public land sales. The larger ones have the resources that the smaller ones do not have.

I can state that in my State of Montana it is the smaller operators that are in a precarious balance between either surviving or not surviving unless the bill and the Foley substitute pass.

For the most part, sealed bidding is not appropriate in the West, because it denies mills in local communities the opportunity to respond to outside competition for nearby timber. In my district, as well as many other areas of the West, the national forests are the only source of timber and individual Forest Service timber sales tend to be large. Failure to successfully obtain one or two critical sales can create an economic hardship on a local mill and on the community which the mill supports. Oral bidding is often the best way to insure a full opportunity for small local mill operators to compete for the timber.

The enactment of this legislation would allow the Forest Service to return to historic bidding methods—oral and sealed. The legislation contains a clear direction to the Secretary on his obligation to combat collusion.

It would authorize continuation of the present Forest Service system of monitoring timber sale bidding patterns and require that the Forest Service notify the Justice Department if collusion is suspected. It eliminates the apparent mandate in section 14(e) of the National Forest Management Act to use sealed bidding in all situations and restores flexibility to use whatever bidding methods are determined will insure open and fair competition. Authority is provided to alter bidding methods or take whatever action is appropriate in situations in which collusions are suspected.

Other major provisions of Chairman FOLEY's substitute are that the Secretary must insure that the Federal Government receive not less than the appraised fair market value for the sale and that in his choice of bidding methods he must give consideration to the economic stability of communities dependent upon national forest timber.

The small mills and timber producers in the West are dependent upon Federal timber sales. The passage of this bill would allow traditional timber sale practices. It will allow flexibility in order that bidding procedures might be adjusted to the unique situations existing in any particular timber market. I urge the passage of this bill.

Mr. WEAVER. Mr. Chairman, I yield the remaining time to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, we have heard some comments that this is a bill which is favored by and will benefit the large timber companies. This is not the case. This is a bill, if anything, that seeks relief for small independent timber companies. The largest timber company in the United States, and a very fine company, owns 6.5 million acres of its own land in the continental United States. It leases approximately another 6 million acres in Canada. It has approximately 1 million acres under lease in Indonesia. This totals 13.5 million acres. That timber company does not need this bill. It is not concerned with the problem of obtaining individual Federal timber sales in order to remain in business. But there are many, many small companies, in the Northwest particularly, which are dependent on the individual sales put up by the Forest Service and which need the protection of oral auction. From World War II until the enactment of the 1976 act those sales have been predominantly by oral auction. We are seeking to provide the Department the flexibility to return to this historical pattern.

The Members who have spoken against this bill and have cited the various objections to it will be relieved to know that I am going to offer a substitute which should take care of all the problems they have raised about the bill itself. That substitute contains language requiring among other points that—

"In the sale of trees, portions of trees, or forest products from National Forest System lands (hereinafter referred to in this subsection as 'national forest materials'), the Secretary of Agriculture shall select the bidding method or methods which—

"(A) insure open and fair competition;

"(B) insure that the Federal Government receive not less than the appraised value as required by subsection (a) of this section;

"(C) consider the economic stability of communities whose economies are dependent on such national forest materials, or achieve such other objectives as the Secretary deems necessary; and

"(D) are consistent with the objectives of this Act and other Federal statutes.

The Secretary shall select or alter the bidding method or methods as he determines necessary to achieve these objectives. . . .

It further requires that if the Secretary selects oral bidding, he shall require that all prospective purchasers submit written sealed qualifying bids. In other words, the only people who are able to engage in the oral auction are those people who first submit sealed bids at least equal to the appraised value of the timber.

The substitute further directs the Secretary to monitor bidding patterns involved in the sale of national forest materials, and if the Secretary has a reasonable belief that collusive bidding practices may be occurring, then he shall report any such instances of collusive bidding practices or suspected collusive bidding practices to the Attorney General of the United States with any and all supporting data.

In addition, the language provides him with the authority to alter the bidding methods used within the affected area and to take such other action as he deems necessary to eliminate such practices within the affected area.

Simply, what this substitute will do is put the responsibility clearly on the Secretary of Agriculture, who has the responsibility for managing our national forests, to insure an adequate return to the American people from timber sales, to take appropriate steps to insure that there is no collusive bidding, and to insure that the dependent communities have a reasonable opportunity to keep small mills in continued operation. This is in the interest, I should think, of everyone here in this room and of the American people.

I do not have any objection to large timber companies. They have no real interest in this legislation. But I do not want to see dozens of small mills whose existence is threatened because of a shrinking timber supply, be forced by sealed bid requirements to overbid or underbid sales. In either case, they stand to lose the opportunity to continue in business. In the first place, overbidding places them in a situation with a commodity for which they paid too high a price. Should the mill owner underbid, he may find himself without sufficient volume to continue the mill's operation.

This is a bill and a substitute designed to be fair to the small timber operation and to those dependent communities in which they operate. I think those who are familiar with the problem firsthand recognize what is happening to these small mills under sealed bidding procedures when the mill owner does not have an opportunity, as under oral auction, to bid higher in order to insure an adequate timber supply to keep his mill in operation. On the other hand, overbidding certainly does no good, particularly for the consumer.

I am asking for your support today for the substitute which I will offer when we go under the 5-minute rule.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield an additional 3 minutes to the gentleman from Washington (Mr. FOLEY).

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, I want to commend the gentleman from Washington (Mr. FOLEY).

Mr. Chairman, I rise in support of the amendment offered by my colleague from Washington (Mr. FOLEY).

I support the amendment offered today for several reasons. First, and foremost, however, I will vote for this amendment, because it does not create another Federal advisory commission.

I do not pretend to have been privy to the lengthy debates that were conducted in the gentleman from Oregon's (Mr. WEAVER) subcommittee, and I am thus unable to discuss the merits of this amendment from a factual basis. I would, however, like to say something about the policy implications of this amendment.

Mr. Chairman, the President has attempted to cut back on the uncontrolled growth of the Federal Government in many ways. He has personally abolished over 400 nonstatutory advisory commissions. He has asked Congress to follow suit and abolish 21 commissions created by law. It is ironic that legislation to abolish these commissions is being considered in one part of the Congress while the House debates the creation of yet another commission.

I wonder sometimes if our left hand knows what our right hand is doing, Mr. Chairman. I think some of my colleagues on the Agriculture Committee were correct when they argued that the appropriate advisory commission already exists in the Department of Agriculture to address the problem before us today. I think they were even more correct when they stated that such an investigatory function envisioned by this bill belongs to Congress, and not to such an advisory commission attached to the executive branch.

Certainly the $60,000 budgeted to the Advisory Commission on Timber Sales Procedure does not even rate a footnote in the budget of the United States. Sadly, that much money and more is probably lost everyday in the vast maze of Government. A more important question might concern the amount of money this Commission might influence. I am personally conducting an investigation into the disbursement of funds by advisory commissions, and some of my preliminary fears concern the possibility of a multitude of incestuous relationships between the various commissions and the corporations and educational institutions that supply the membership of these commissions. I have written all the Cabinet Secretaries and requested detailed information from them on the composition and role of the advisory commission in their departments, and I hope to make a further report to the House on this matter in the near future.

Nevertheless, if the House passes this bill without the amendment, the new members of this Commission will take their seats next to the members of the other 108 advisory commissions that report to the Department of Agriculture. For some of the new members, it will be a familiar routine, since they probably already serve on one or more advisory commissions. I have been told that it is a way of life for some people. For example, one person in a Government health agency serves on nine different advisory commissions, including the Advisory Commission to the Director of this agency. This assignment must be one of the easiest, since the gentleman in question is the Director, and he should not find it difficult to advise himself.

I am certain that supporters of the bill will point to the fact that this Advisory Commission is only designed to last for 2 years. I certainly support the concept of sunset legislation, and I am pleased to see the inclusion of such a provision in H.R. 6362. Nevertheless, I am troubled by the underlying assumption that any advisory Commission is necessary in this instance. I would remind my colleagues that sunset provisions are not an end in themselves, but rather a tool to use in cutting back the ever-expanding Government bureaucracy. If we can arrest such growth in its infancy, so much the better.

I hope my colleagues will join me in supporting this amendment. I think it is a fair proposal and one worthy of support.

Mr. FOLEY. Mr. Chairman, the Department has consistently opposed the provision of this bill which would create a new advisory commission. My substitute would eliminate that provision.

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California for a question and not debate.

Mr. KREBS. I thank the gentleman for yielding.

Mr. Chairman, will the gentleman be kind enough to point out where his substitute does anything except to take us back to 1976, before the enactment of the sealed bidding requirement?

Mr. FOLEY. What the substitute does is to provide specific guidance to the Secretary of Agriculture with respect to monitoring timber sales. That language is identical to that which is in the present subsection in 14(e), which the gentleman knows was part of the 1976 National Forest Management Act. It is retained in the substitute. The language directs the Secretary to make decisions on forest products and to review timber bidding practices in order to insure, one, a fair return to the Government; two, competitive practices in the sale of timber; and three, recognition of the concerns of dependent communities. In addition, and as the House is aware, the Secretary must meet the valid requirements of other statutes governing the various issues involved.

Finally, the substitute requires the Secretary to alter bidding methods as he may choose to assure that collusive practices are prevented. He has greater flexibility under the substitute to determine bidding methods than he has under the act. He is not held to any particular method of bidding. He can do whatever he deems necessary—indeed he is ordered to do it—to eliminate collusive practices.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, is it not true that the gentleman's substitute requires initial qualified sealed bids, which would be the base from which the oral bidding would thereby proceed?

Mr. FOLEY. The gentleman is correct.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I would like to associate myself with the remarks of my colleague, the gentleman from Washington (Mr. FOLEY), and congratulate him on offering his substitute.

The gentleman and I come from eastern Washington, and I share with him the recognition of the legitimate needs of a number of small timber operators in my district. In the Fourth Congressional District last year one mill was closed down. I can not attribute the closure to the sealed bidding system, but the closure does show how near the economic edge many of these small operators live.

Mr. Chairman, I think the Foley substitute will help to remedy this problem, and I offer my support of it.

Mr. JOHNSON of California. Mr. Chairman, I take this opportunity to add my support to Congressman FOLEY's recommendation for corrective legislation on the sealed bidding provision of the National Forest Management Act of 1976, section 14(e).

It is my understanding that hearings had been held on the issue during consideration of the National Forest Management Act of 1976 and no evidence was presented that national forest timber purchasers may be engaging in collusion.

This provision, I understand, was adopted anyway, directing the Secretary

of Agriculture, in general, to use sealed bidding methods.

It was adopted in a most difficult conference in the closing hours of the last Congress, so it is proper that we reconsider it now.

In initially implementing this section, the Forest Service virtually eliminated oral auction bidding on national forest timber sales.

The final regulations, although an improvement, would require that up to 25 percent of national forest timber be sold under sealed bids, even in dependent community situations.

Even this threatens disastrous effects on many dependent communities in my district.

Oral auction bidding has been the normal bidding method in most parts of the West.

It has been found to be in the public interest because it allows timber purchasers to respond to bidding competition in an open and free manner.

In many areas there are no alternate sources of timber supply to local mills.

National forests are in a virtual monopoly position.

In many cases, every timber sale is so important to a local mill, that injecting uncertainty as to what must be bid to obtain the sale, as is done under sealed bidding, puts the operator in an extremely difficult position.

He may put in what he considers a very high bid for a timber sale critical to his operations, but if someone else bids a little higher, he loses the sale and may be forced to close his mill.

When timber is sold by oral auction, however, timber purchasers are able to make several consecutive bids until they get the purchase.

A sawmill operator who needs the timber to keep his plant in production can assure his supply by increasing his bid on the spot.

He may have to pay more than he had planned to pay, but he gets the timber in the end.

This is why oral bidding, rather than sealed bidding, is the traditional method of timber sales in the regions where there are many dependent sawmill towns.

The legislation that the Congressman from Washington (Mr. FOLEY) is proposing would return historic methods of sales of Federal timber.

Additionally, it will preserve the Forest Service's flexibility to require sealed bidding, in those situations where deemed appropriate.

This is not an environmental issue, was disclosed during debate on this bill in the other body.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 6362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT

SECTION 1. There is hereby established an Advisory Committee within the Department of Agriculture to be known as the Advisory Committee on Timber Sales Procedures (hereinafter referred to as the "Committee").

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. FOLEY: Beginning at page 1, line 3, strike out everything after the enacting clause and insert in lieu thereof the following:

That section 14(e) of the National Forest Management Act of 1976 (90 Stat. 2959; 16 U.S.C. 472a(e)) is amended to read as follows:

"(e)(1) In the sale of trees, portions of trees, or forest products from National Forest System lands (hereinafter referred to in this subsection as 'national forest materials'), the Secretary of Agriculture shall select the bidding method or methods which—

"(A) insure open and fair competition;

"(B) insure that the Federal Government receive not less than the appraised value as required by subsection (a) of this section;

"(C) consider the economic stability of communities whose economies are dependent on such national forest materials, or achieve such other objectives as the Secretary deems necessary; and

"(D) are consistent with the objectives of this Act and other Federal statutes.

The Secretary shall select or alter the bidding method or methods as he determines necessary to achieve the objectives stated in clauses (A), (B), (C), and (D) of this paragraph.

"(2) In those instances when the Secretary selects oral auction as the bidding method for the sale of any national forest materials, he shall require that all prospective purchasers submit written sealed qualifying bids. Only prospective purchasers whose written sealed qualifying bids are equal to or in excess of the appraised value of such national forest materials may participate in the oral bidding process.

"(3) The Secretary shall monitor bidding patterns involved in the sale of national forest materials. If the Secretary has a reasonable belief that collusive bidding practices may be occurring, then—

"(A) he shall report any such instances of possible collusive bidding or suspected collusive bidding practices to the Attorney General of the United States with any and all supporting data;

"(B) he may alter the bidding methods used within the affected area; and

"(C) he shall take such other action as he deems necessary to eliminate such practices within the affected area."

Mr. FOLEY. Mr. Chairman, let me emphasize that my amendment in the nature of a substitute, which has just been read addresses, I believe, all the reasonable questions that might be raised concerning this legislation. It clearly mandates that the Secretary of Agriculture, in cooperation with the Attorney General of the United States, take whatever actions he deems appropriate in order to prevent any pattern of collusive bidding on national forest materials.

This point has been made before, but I want to reiterate it: There is no history that would indicate to any reasonable individual, in my judgment, that collusive bidding can only occur in oral auction sales.

Quite the contrary, the most dramatic of all of our antitrust cases over the years have been those involving sealed bidding. United States against Westinghouse, one of the great antitrust cases of the 1950's, involved large electric manufacturing companies. These cases involved sealed bidding under an elaborate bid-rigging system.

Federal Trade Commission against American Cyanamid was also a case involving sealed bidding. Other examples had been given here.

In any case, Mr. Chairman, under my substitute, the Secretary of Agriculture, will have a clear responsibility to monitor all Forest Service timber sale bidding practices in the United States. If he has any evidence that there may be collusive bidding, he is fully authorized to alter the bidding method, and he must report, with all supporting data, whatever information he has to the Attorney General of the United States, who is charged with the enforcement of the antitrust laws.

Furthermore, no one can participate in this oral auction unless the company has already submitted qualifying sealed bids at least equal to the appraised value of the timber. Therefore, under terms of the substitute, the Government will obtain at least reasonable market value for its timber.

The only thing that the substitute eliminates from existing law is the fixed requirement for sealed bidding in all sales except where the Secretary determines otherwise by regulation. My amendment provides the Secretary with the flexibility necessary to use the appropriate bidding method. He is required to monitor all timber sales and to report any evidence of collusion to the Department of Justice.

Therefore, Mr. Chairman, I would think that every Member of this House and of the committee could fully support this substitute.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I thank the gentleman for yielding.

I want to ask the gentleman this question: Is it not the gentleman's intent, in offering this amendment, to restore the flexibility to the Department to return to the historical patterns of bid methods that were used prior to the enactment of the National Forest Management Act? Is that not the gentleman's intent in offering the amendment?

Mr. FOLEY. Yes. In addition we give the Secretary the authority to take whatever action he finds necessary in order to carry out the other mandates of the substitute, including taking steps to avoid collusive bidding and to report the same to the Attorney General.

Mr. AuCOIN. I thank the gentleman, Mr. Chairman.

Mr. WEAVER. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, when I first introduced this bill—I believe about 1 year ago—I introduced it with the advisory committee in it because I felt that many questions remained unanswered in the sales of Forest Service timber now that a new situation had developed in the Pacific Northwest, which, in effect, left the For-

est Service as the monopoly seller to hundreds of smaller independent mills.

The exigencies of time, however, are such that I believe at this time the advisory committee is best deleted from the bill.

For this reason, Mr. Chairman, I strongly support the Foley substitute and urge its passage today.

I would like to comment that under the substitute strong language is kept to set up the Forest Service as a watchdog over all sales of timber, monitoring them closely for any suspicion of collusion or any unusual practice; and if they find such, to immediately turn over the data to the Attorney General for prosecution.

With respect to collusion, Mr. Chairman, as the chairman of the full Commitee on Agriculture has said, the most famous cases were under the sealed bidding system.

Collusion will now be most carefully policed under the substitute amendment we have before us.

I would like to point out one thing to those who are not completely familiar with the practice of bidding on national forests. First, all bidders must submit a sealed bid. All bidders must submit a sealed bid regardless of whether it is a sealed bid or an oral auction.

Once those sealed bids are in, the oral auction comes on top of that. So that we will have a sealed bid, and then an oral auction on top of the sealed bid. So the Government, the taxpayers, get it both ways. They have both bids, the sealed bid and the oral auction, and the mills have the privilege of the oral auction so they can bid as high as possible to secure the timber they need.

AMENDMENT OFFERED BY MR. KREBS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. KREBS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. KREBS to the amendment in the nature of a substitute offered by Mr. FOLEY: Section 14(e) as contained in the matter proposed to be inserted by the amendment in the nature of a substitute is amended by adding at the end thereof the following:

"(4) The Secretary of Agriculture shall take such action as he may deem appropriate to obviate collusive practices in bidding for trees, portions of trees, or forest products from National Forest System lands, including but not limited to requiring sealed bidding on all sales except where the Secretary determines otherwise by regulation."

The matter proposed to be inserted by the amendment in the nature of a substitute is amended by striking out the quotation marks and the period immediately following section 14(e)(3)(C) as contained in such matter.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 38]

Ambro	Edwards, Okla.	Murphy, N.Y.
Anderson, Ill.	Flippo	Murphy, Pa.
Andrews, N.C.	Flood	Nix
Archer	Flynt	Pepper
Armstrong	Ford, Mich.	Quie
Bauman	Frey	Rahall
Beard, Tenn.	Gephardt	Reuss
Beilenson	Giaimo	Rosenthal
Biaggi	Goodling	Rostenkowski
Bingham	Harsha	Ruppe
Blouin	Hefner	Santini
Bolling	Holland	Scheuer
Broomfield	Holt	Shipley
Brown, Mich.	Jones, Tenn.	Shuster
Broyhill	Kemp	Solarz
Burke, Calif.	Krueger	Spellman
Burke, Mass.	LaFalce	St Germain
Burton, John	Le Fante	Steiger
Carr	Lehman	Thone
Cederberg	Long, La.	Traxler
Chappell	Lundine	Treen
Chisholm	McDade	Tucker
Collins, Ill.	McDonald	Waxman
Conyers	McKay	Weiss
Cotter	McKinney	Wilson, Bob
Davis	Maguire	Wilson, C.H.
Dent	Mahon	Wilson, Tex.
Derrick	Mann	Wolff
Dicks	Marks	Wydler
Diggs	Mazzoli	Yates
Drinan	Meeds	Young, Alaska
Eckhardt	Michel	Zeferetti
Edwards, Ala.	Mikva	
Edwards, Calif.	Murphy, Ill.	

Accordingly the Committee rose, and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. BREAUX, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6362, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 332 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from California (Mr. KREBS) is recognized for 5 minutes in support of his amendment.

Mr. KREBS. I thank the Chair.

Mr. Chairman and members of the Committee, the legislation which prompted our presence here today started out with an innocuous title to create a commission to study timber sales.

Under this innocuous title what the proponents of this legislation were really after was to repeal a law that has been on the books for a mere 14 months. As a matter of fact, the timber industry had been after the repeal of the legislation to provide for sealed bidding even before the ink literally dried on the paper.

What we are here today to do is to consider a substitute to the bill which the proponents now realize really did not make much sense, namely, the formation of yet another commission. They have proposed the substitute amendment, which would do nothing more and nothing less than the initial bill was designed to do, namely, to repeal the present law.

What does the present law provide? The present law provides that the Secretary shall use sealed bidding, except as otherwise provided by regulation. The Secretary has provided a sealed and oral bid mixture to protect the communities that are totally dependent on timber supplies by providing that 75 percent of the sales be by oral bidding and 25 percent of the sales by sealed bidding.

This, however, has not been satisfactory to those who seek to repeal this law; and we have had a lot of statements about mills supposedly closing.

Mr. Chairman, I think it is rather significant that all of my colleagues who have told us about all these mills that are closing in the Northwest and in California have not been able to come up with a single example to which they can point to show that a particular mill was closed because of the use of sealed bidding.

On the contrary, I have a letter here dated January 23, 1978, from the chief forester, who has monitored these sales. He stated, flatly, that as of January 23, 1978, not a single mill had closed because of the use of sealed bidding.

Mr. Chairman, what I think some of my colleagues have not said is that mills have been closing in the Northwest and in California for years for any number of reasons, long before the legislation which they are now trying to repeal was put into effect.

There have been statements made that the cost of housing would soar if we used sealed bidding. The fact is that the cost of average housing in the United States today is $40,000, and the cost of the timber in that house is $1,200.

Mr. Chairman, I ask the Members, when was the last time that any Member remembers that the timber industry has ever shared their profits with them? Is anyone really naive enough to think that they are going to share the additional income with the American taxpayer?

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I ask the gentleman from California (Mr. KREBS), is it true that under this new rule which has been in effect the past 14 months, compensation to the Federal Government has increased about 25 percent?

Mr. KREBS. Mr. Chairman, let me respond to that question in this fashion: During the first 9 months that this law was in effect, the law that the timber industry is now trying to repeal, the proceeds from the sale or sales through sealed bidding exceeded those through oral bidding by $28 million which, I submit, is no puny sum.

Mr. SIMON. Percentagewise, it is approximately 25 percent, is that correct?

Mr. KREBS. That is correct.

Mr. SIMON. So, in a very real sense, what this House faces is a choice of whether that 25 percent will go to the timber companies or to the public, is that a fair summation of the issue?

Mr. KREBS. The gentleman from Illinois (Mr. SIMON) in his usual articulate way has put his finger exactly on the issue. That is the reason the lobbyists for the timber industry have been crawling all over Capitol Hill for the last 2 or 3 weeks, calling on Members two or three different times.

The substitute offered by the chairman, the gentleman from Washington (Mr. FOLEY), has no other purpose except to repeal the sealed bid provision. That is the reason I ask the Members to vote for my amendment and give the present law a chance to continue to function in the very beneficial manner in which it has functioned in the past.

So I urge an aye vote for my amendment.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment offered to the amendment in the nature of a substitute.

Mr. Chairman, for those Members who were not in the committee when the debate occurred earlier, I have offered an amendment in the nature of a substitute for the committee bill that requires the Secretary of Agriculture to use such bidding methods, sealed or oral, as in his judgment will produce a fair and equitable return to the Federal Government. It will require that, if the Secretary determines to use oral auction, first there must be qualifying sealed bids at or above the appraised price.

The amendment offered by the gentleman from California (Mr. KREBS) to my substitute—and I hesitate to use this word—might be called a cynical effort to gut the substitute. It simply goes back to the existing law. It does so in the guise of an amendment to the substitute. It does not seek to perfect the substitute; it seeks merely to go back to the existing law. Why have a substitute at all? This substitute is necessary because regulations issued by the Department implementing subsection 14(c) of the National Forest Management Act of 1976 relative to bidding practices for sales of national forest timber have created a problem with the small communities who are dependent upon the small timber operators. This is not a bill that helps the large timber companies. Indeed they can be completely indifferent to this bill because they have their own private lands and they are not dependent upon our national forest timber for operation of their mills.

This is a bill that is designed to try to give the smaller mills a chance of surviving. It will increase the opportunity for competition in the timber industry.

I would think that those Members who are interested in seeing small businesses survive and in seeing competitive conditions in our national forest bidding practices, would vote against this amendment to my substitute because its effect, if anything, would be to hurt small businesses. The amendment in the nature of a substitute which I have offered is designed to help small businesses.

The suggestion has been made that if we have higher bidding under sealed methods, above the appraised value of the national forest timber, that that helps the taxpayers. This is simply not the case because the timber companies simply pass the additional cost on to the consumer, thus forcing higher and higher building material prices. Those Members who think they are doing their constituents a favor by forcing higher bids for raw lumber, which will increase the cost of building materials at a time when costs are at a high level, do not really understand how this higher bidding for raw lumber from the national forests will impact on prices paid for finished wood products.

The proposed amendment to the substitute guts its intent. We have all seen that before, where people come out with a little amendment, a harmless little amendment to a substitute, the basic purpose of which is simply to reverse the whole process of the legislation. I submit to the Members that the substitute protects the interests of the public, requires the Secretary of Agriculture to avoid collusive bidding, gives him discretion to choose the appropriate bidding method, allows him the flexibility to alter bidding methods to avoid collusive bidding, and requires him to submit all data on collusive bidding practices to the Attorney General of the United States for prosecution under the antitrust laws. Nobody in this Chamber, I think, can take exception to what the substitute provides. It simply provides a chance for those small mills dependent on Federal lumber to bid in oral auction after they have already submitted a qualifying sealed bid. This gives them a chance to protect their own supply by meeting their competition face to face.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the substitute amendment containing the language of S. 1360 offered by the distinguished chairman of the Agriculture Committee.

I believe this represents a sensible way to reiterate and clarify congressional intent of the National Forest Management Act of 1976 by providing the Forest Service with clear guidelines by which to conduct timber sales while still providing the Secretary of Agriculture with ample flexibility to determine the most appropriate methods.

We have seen in the West in recent times severe economic problems caused by drought followed by torrential rains, followed by destructive floods, depressed farm prices, copper strikes and mine closings, and a general lack of employment opportunities in the many small, often isolated communities of this vast area. All this, of course, in spite of phenomenal growth of industrial development and population density in the Sun Belt. Still the impact of this growth is felt mainly around major metropolitan centers while outlying areas continue to suffer.

Unfortunately, this situation was exacerbated by overly-restrictive Forest Service bidding regulations which threatened the economic life of many small communities in the West which are totally dependent upon a timber industry supplied almost solely by national forest materials. To impose a new and different bidding system on a single community mill operator that encourages the outflow of available timber and does not allow him adequate supplies can result in a devastating ripple effect throughout the local economy. Even in the interest of increased competition, efficiency and uniform procedure, this action by the Forest Service does not seem quite fair.

Because of the diverse nature of the timber industry around the country, it made sense to adopt bidding methods best suited to local needs and customs, and historically this has been done. In the Southeast, for example, where most timber is privately grown and very little in volume obtained from public lands, sealed bidding works well. But an open bidding system works best for mill operators in remote areas close to national forests where steady supplies and reduced transportation costs can insure continued operations and sources of employment.

Mr. Chairman, let me say again that this is sensible legislation which addresses the problem of economic dislocation occurring in some areas, mostly in the Northwest, as a result of the newly established sealed bidding system. It also addresses the need to assure the Government a fair return for products of the public lands by setting a base price of appraised value above which bids would be accepted, beginning with sealed bids and allowing the highest bidders to then move into oral auction. Competition is preserved and the Secretary has the flexibility to select the most appropriate method to suit each region's needs.

Finally, we give the Secretary authority to watch closely for any hint of collusive or anticompetitive practices and to refer suspected cases to the Justice Department for investigation and possible prosecution.

I commend the chairman and the Agriculture Committee for accepting S. 1360 which, if adopted, will go a long way toward alleviating some of these problems which we have had in the West in recent months. I hope my colleagues will listen closely to the debate and approve the bill.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding.

Mr. Chairman, I with some hesitancy rise because I am getting into a battle between some good friends of mine on

both sides. But let me say in all frankness that, representing as I have for the last 24 years a substantial block of national forest in California, that it is important that we adopt the Foley substitute and that we defeat the pending amendment. As I say, I always hesitate to step on anyone's toes, but having represented the central California area's Sierra National Forest and other adjacent forests, we have yet to have had any problem previously in connection with oral bidding.

Mr. BROOKS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the basic purpose of the amendment is simply to preserve the thrust of the law that the Congress enacted just 1 year ago. The law is working well. It is producing exactly the results it was intended to produce, that is, a greater return for the Government on the sale of the Nation's timber resources, and it is producing this result without disrupting the local communities economically dependent upon the national forest timber preserves. Time and time again we have proven that the best means for the Government to sell its property is through the sealed bid mechanism. This is the basic procedure used in the Federal Property Act for the disposal of the Government's surplus real and personal property. It is equally applicable in a sale of timber from our national forests. Only through sealed bids can we be reasonably sure that the Government gets the highest return and that all of the potential purchasers have a reasonable opportunity to participate. The sealed bidding mechanism unequestionably reduces the opportunity for collusion. A return to the action mechanism for sales at this time is simply to accommodate the special interests, the small but very powerful group of timber operators in a certain geographic area of the United States represented by some of the finest members that you and I know. There is no justification for this special treatment. Why should we put at a disadvantage every other timber producer in the United States?

I would urge the Congress to accept the amendment offered by the gentleman from California (Mr. KREBS) that will preserve the basic principle of obtaining sealed bids in the sale of national forest timber throughout the Nation.

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let us make no mistake about the substitute. The substitute targets at and repeals a key section of 14(e) which requires and emphasizes the use of sealed bidding. That is the heart and soul of the substitute which is essentially again to repeal the 14(e). This law did not just fall out of the sky. There was reason for passage of 14(e), and the reason was contained very recently in a letter to the Committee on Agriculture and to the Secretary of Agriculture which stated that the Department of Justice was involved in 10 areas of investigation with respect to collusion in the sale of timber and the latter made this statement:

> It is noteworthy that each of these investigations has concerned an area where oral bidding was the predominant method of selling timber.

That is not my view. That is the view of of the Justice Department in these investigations. That is the reason why 14(e) was enacted. In June of this year, for the first time, regulations were issued to implement 14(e), and the Secretary of Agriculture has said:

> Let us have a chance to implement this law to see if it works.

As a matter of fact, in a letter to the chairman of the Committee on Agriculture, John White, the Deputy Secretary of Agriculture at that time said the following:

> With regard to the bidding question, revised regulations were issued on June 2, 1977. We believe these regulations provide adequate protection for dependent communities. After careful review of these regulations and questions raised on the effects of the regulations, we conclude it is not necessary or desirable to change the basic statute under which they were developed. We, therefore, oppose enactment of H.R. 6362 or Senate Act, S. 1360 . . .

That is essentially the substitute.

So make no mistake about it: The Department of Agriculture opposes this substitute and he concludes with these words:

> We need to gain experience in implementing the law and will review the regulations at the end of one year of usage. We are committed to a fair and workable implementation of the law.

The point is, let the department have the chance to implement these laws. We do not have any evidence that this law is going to have the impact on dependent communities that has been stated. Let us give this law the chance to operate. The Department of Agriculture is against the substitute, the Justice Department is against the substitute, and OMB is against the substitute. I think Congress as well should be against the substitute and for this amendment.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, it is the position of the gentleman then that the amendment by the gentleman then that the amendment by the gentleman from California (Mr. KREBS) is a desirable amendment and we should pass the amendment and continue the present way things are operating and give the Secretary of Agriculture and the President of the United States and the administration the opportunity to prove the workability of this law passed by the Congress less than a year ago?

Mr. PANETTA. The gentleman from Texas is correct. In effect what the amendment does is restore a key element of 14(e), which emphasizes sealed bidding.

Mr. FOLEY. If the gentleman will yield, Mr. Chairman, the only effect of the amendment to the substitute has just the same effect as defeating the bill; does it not?

Mr. PANETTA. The amendment to the substitute in effect will restore 14(e).

Mr. FOLEY. So as far as that is concerned, if one is going to vote for the amendment to the substitute, one might as well just vote against the bill. It is the same effect.

Mr. PANETTA. It makes sense to vote against the substitute, it makes sense to vote for the amendment and for the bill.

Mr. FOLEY. Then the gentleman will concede my point. I thank him for yielding.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, with all respect for my friends from the Northwest and with great affection, I say I understand why they are doing this. If I had as much political pressure on me as they appear to have, I might possibly consider taking the same course.

The hard fact of the matter is that only a little over a year ago we passed legislation which said we would go to sealed bidding on Federal timber sales. Now all of a sudden, before the process has had a chance to commence working, comes forth the Agriculture Committee with a most curious piece of legislation which is directed at doing away with those sealed biddings.

Now, the interesting thing is, first of all, that everybody has found that the Federal Government, the taxpayers, and the people of this Nation who own all the timber get more for the timber when timber sales are done by sealed bidding. The Department of Justice has found that there is less opportunity for collusion.

As a matter of fact, in the investigations of collusion that are being engaged in by the Department of Justice they find that the collusive bidding took place in connection with, not sealed bidding, but with oral bidding. That is where the rascality was.

Now, there is something else that is to this that I think is important. Everyone has talked about how this is going to help the small timber operator. The Department of the Interior says they have found no evidence that this mechanism, the sealed bid, has caused or will cause—in a letter to Mr. KREBS—the closure of small mills and in the lumber industry.

Now, what is wrong with sealed bidding? We use sealed bidding in connection with defense procurement; we use sealed bidding in connection with disposal of Federal property; we use sealed bidding in connection with Government contracts. What do we find when we get away from sealed bidding? We find that when we get away from sealed bidding, we have a great opportunity for collusion, rascality, and deprivation of the public interest.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Is the gentleman aware that there has only been one conviction of collusion in 17 years? Only one?

Mr. DINGELL. I think that probably indicates that we probably need a little more law enforcement in that area. I think what we ought to understand is that in every instance where the Government deals with lots of money—and there is lots of money involved in this timber business——

Mr. JOHNSON of Colorado. Will the gentleman yield further?

Mr. DINGELL. I cannot yield to my good friend right now. I will in just a minute.

There is lots of money involved here, and lots of money attracts folks who like to get this Federal property on the cheap. In order to obviate that, in connection with Government contracts for the procurement or sale of goods and services, we have always found that the best way to keep honest men honest and keep temptation out of the path of rascals is to see to it that we use sealed bidding.

The bill as drawn is opposed by every Government agency. The amendment as drawn is supported by every Government agency. Give sealed bidding, which protects the taxpayers, a chance to be used, and let us support the Krebs amendment; then, let us pass the bill.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. DUNCAN of Oregon. The gentleman speaks with a great deal of authority on the subject of political pressures that are brought from time to time.

Mr. DINGELL. I have been the subject of political pressure for many years.

Mr. DUNCAN of Oregon. I know the gentleman speaks from experience, and I would not challenge him on that. I would suggest, however, that if he had been in attendance at the debate that preceded the introduction of this amendment, he would understand that this question of rascality of which he speaks, again with not only authority, but with considerable eloquence——

Mr. DINGELL. I am glad the gentleman appreciates my eloquence.

Mr. DUNCAN of Oregon. I do, but I would just like to ask the Members of this House to take a look at the amendment. The question of collusive bidding is not involved here.

Mr. DINGELL. The gentleman is wrong. What is involved is the prevention of collusive bidding.

Mr. DUNCAN of Oregon. Exactly, and both sides I will give credit to. I will give credit to both sides as being opposed to collusive bidding. The error of the gentleman's argument is to assume that there will be no collusion under sealed bids, and there is under oral bids.

Mr. DINGELL. No. I do not yield further because the gentleman has made a point that really does need answering. If he had read the amendment he might find that it does not—

Mr. DUNCAN of Oregon. I have.

Mr. DINGELL. The fact of the matter is that the amendment also requires steps to be taken to obviate collusive bidding.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as I understand the proposed amendment offered by my colleague from California (Mr. KREBS), and its effect, the Krebs amendment would destroy the proposed Foley substitute and make present law effective. It would amend the substitute to that extent.

Now, we all know that there is nothing sacrosanct about either the sealed bid or oral bids. We all know there are occasions when one will better serve the interests of this Government and the people who buy these forest products than would the other.

So there is nothing wrong with the Secretary having that discretionary authority. I find it somewhat amusing that those who were so much opposed during the consideration of the Outer Continental Shelf amendments last week when sealed bids were discussed to be so much for them today. Last week sealed bids were all bad on the Outer Continental Shelf, but they are good now in the instance of timber to the exclusion of anything else.

Let us give the Secretary the discretionary authority to use sealed bids or oral bids and he will have the maximum authority to prevent collusion and protect the taxpayers of this country.

Mr. Chairman, the Krebs amendment ought to be voted down. The Foley substitute ought to be approved.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the substitute and for the amendment.

Mr. Chairman, I shall use but 1 minute to state that in my opinion a vigilant Department of Agriculture with the Justice Department cooperating can find collusive bidding where it wishes to and where it desires to search for it. It can detect where two sets of books are kept by a timber company or a sawmiller to defraud the Government. That has been the case time and time again.

But where, in the arid West, you have a small town whose economic life blood depends on the lumber cut in an adjoining lumber yard there is nothing improper when you give to the local firm an immediate right to oral bidding practices after their sealed bid comes in. He can top his bid with a cash bid. I see nothing wrong with this.

Therefore, for the first time in my record, I will vote against my esteemed friend from California and stay with the committee.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to my friend, the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, will the gentleman agree that the substitute offers more flexibility to determine the variances in bidding practices to avoid collusive bidding and fraud than does the Krebs amendment?

Mr. RONCALIO. Yes; I agree with the gentleman.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I just simply want to say that I support the Foley substitute and oppose the Krebs amendment.

I would point out that understanding operating procedures, the Forest Service offers first sealed bids and then all options after that, so we have both under that practice.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KREBS) to the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KREBS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 136, noes 239, not voting 57, as follows:

[Roll No. 39]

AYES—136

Addabbo	Fraser	Mottl
Allen	Giaimo	Nedzi
Ammerman	Gilman	Oakar
Anderson, Calif.	Glickman	Obey
Applegate	Gonzalez	Panetta
Aspin	Gore	Patterson
Bedell	Gradison	Pease
Beilenson	Hannaford	Pike
Brademas	Harkin	Rangel
Breckinridge	Harrington	Richmond
Brodhead	Harris	Rinaldo
Brooks	Hawkins	Rodino
Brown, Calif.	Heftel	Roe
Burgener	Hollenbeck	Rosenthal
Burton, Phillip	Holtzman	Roybal
Caputo	Howard	Runnels
Carr	Hughes	Russo
Clay	Jeffords	Ryan
Cleveland	Jordan	Scheuer
Conte	Kasten	Schroeder
Conyers	Kastenmeier	Schulze
Corman	Kazen	Seiberling
Cornell	Kildee	Sharp
Coughlin	Kostmayer	Simon
D'Amours	Krebs	Smith, Iowa
Danielson	Leach	Solarz
de la Garza	Lehman	Stark
Delaney	Lent	Steers
Derrick	Lloyd, Calif.	Stokes
Dingell	Long, Md.	Stratton
Dodd	Luken	Studds
Downey	McHugh	Thone
Drinan	McKinney	Traxler
Early	Markey	Tsongas
Edgar	Mattox	Van Deerlin
Edwards, Calif.	Mazzoli	Vanik
Edwards, Okla.	Metcalfe	Vento
Eilberg	Meyner	Volkmer
English	Miller, Calif.	Waxman
Evans, Del.	Mineta	Whalen
Evans, Ind.	Minish	Whitehurst
Fenwick	Moakley	Wiggins
Findley	Moore	Wilson, Tex.
Fithian	Moorhead, Calif.	Wirth
Ford, Tenn.	Moss	Wolff
		Yates

NOES—239

Abdnor	Bevill	Cederberg
Akaka	Blanchard	Clausen, Don H.
Alexander	Boggs	Clawson, Del
Andrews, N. Dak.	Boland	Cochran
Annunzio	Bonior	Cohen
Archer	Bonker	Coleman
Armstrong	Bowen	Collins, Ill.
Ashbrook	Breaux	Collins, Tex.
Ashley	Brinkley	Conable
AuCoin	Brown, Mich.	Corcoran
Badham	Brown, Ohio	Cornwell
Bafalis	Buchanan	Crane
Baldus	Burke, Fla.	Cunningham
Barnard	Burleson, Tex.	Daniel, Dan
Baucus	Burlison, Mo.	Daniel, R. W.
Beard, R.I.	Butler	Davis
Beard, Tenn.	Byron	Dellums
Benjamin	Carney	Derwinski
Bennett	Carter	Devine
	Cavanaugh	

Dickinson	Levitas	Risenhoover
Dornan	Livingston	Roberts
Duncan, Oreg.	Lloyd, Tenn.	Robinson
Duncan, Tenn.	Long, La.	Rogers
Emery	Lott	Roncalio
Erlenborn	Lujan	Rooney
Ertel	Lundine	Rose
Evans, Colo.	McClory	Rousselot
Evans, Ga.	McCloskey	Rudd
Fary	McCormack	Sarasin
Fascell	McDade	Satterfield
Fish	McDonald	Sawyer
Fisher	McEwen	Sebelius
Flippo	McFall	Shuster
Florio	McKay	Sikes
Flowers	Madigan	Sisk
Foley	Marlenee	Skelton
Ford, Mich.	Marriott	Skubitz
Forsythe	Martin	Slack
Fountain	Mathis	Smith, Nebr.
Fowler	Meeds	Snyder
Frenzel	Michel	Spellman
Fuqua	Mikulski	Spence
Gammage	Mikva	St Germain
Gaydos	Milford	Staggers
Gephardt	Miller, Ohio	Stangeland
Gibbons	Mitchell, Md.	Stanton
Ginn	Mitchell, N.Y.	Steed
Goldwater	Moffett	Steiger
Grassley	Mollohan	Stockman
Gudger	Montgomery	Stump
Guyer	Moorhead, Pa.	Symms
Hagedorn	Murphy, N.Y.	Taylor
Hall	Murtha	Teague
Hamilton	Myers, Gary	Thompson
Hammer-schmidt	Myers, John	Thornton
	Myers, Michael	Trible
Hanley	Natcher	Tucker
Hansen	Neal	Udall
Harsha	Nichols	Ullman
Hefner	Nolan	Vander Jagt
Hightower	Nowak	Waggonner
Hubbard	O'Brien	Walgren
Huckaby	Oberstar	Walker
Hyde	Ottinger	Walsh
Ichord	Patten	Wampler
Ireland	Pattison	Watkins
Jacobs	Perkins	Weaver
Jenkins	Pettis	White
Jenrette	Pickle	Whitley
Johnson, Calif.	Poage	Whitten
Johnson, Colo.	Pressler	Winn
Jones, N.C.	Preyer	Wright
Jones, Okla.	Price	Wylie
Kelly	Pritchard	Yatron
Ketchum	Pursell	Young, Alaska
Keys	Quayle	Young, Fla.
Lagomarsino	Quillen	Young, Mo.
Latta	Railsback	Young, Tex.
Lederer	Regula	Zablocki
Leggett	Rhodes	

NOT VOTING—57

Ambro	Eckhardt	Mann
Anderson, Ill.	Edwards, Ala.	Marks
Andrews, N.C.	Flood	Murphy, Ill.
Bauman	Flynt	Murphy, Pa.
Biaggi	Frey	Nix
Bingham	Goodling	Pepper
Blouin	Heckler	Quie
Bolling	Hillis	Rahall
Broomfield	Holland	Reuss
Broyhill	Holt	Rostenkowski
Burke, Calif.	Horton	Ruppe
Burke, Mass.	Jones, Tenn.	Santini
Burton, John	Kemp	Shipley
Chappell	Kindness	Treen
Chisholm	Krueger	Weiss
Cotter	LaFalce	Wilson, Bob
Dent	Le Fante	Wilson, C. H.
Dicks	Maguire	Wydler
Diggs	Mahon	Zeferetti

The Clerk announced the following pairs:

Mr. Ambro with Mr. Shipley.
Mr. Cotter with Mr. Mahon.
Mr. Rostenkowski with Mr. Chappell.
Mrs. Burke of California with Mr. Anderson of Illinois.
Mr. Nix with Mr. Frey.
Mr. Biaggi with Mr. Edwards of Alabama.
Mr. Mann with Mr. Kemp.
Mr. Dent with Mr. Kindness.
Mr. Flood with Mr. Broyhill.
Mr. Eckhardt with Mr. Ruppe.
Mr. Reuss with Mr. Quie.
Mr. Pepper with Mr. Bob Wilson.
Mr. Diggs with Mr. Horton.
Mr. Weiss with Mr. Goodling.
Mr. Murphy of Illinois with Mr. Marks.
Mr. John Burton with Mr. Bauman.
Mr. Flynt with Mr. Wydler.
Mr. Burke of Massachusetts with Mr. Holland.
Mr. Zeferetti with Mr. Bingham.
Mr. Blouin with Mrs. Chisholm.
Mr. Le Fante with Mr. Santini.
Mr. Maguire with Mr. Charles H. Wilson of California.
Mr. Krueger with Mr. Broomfield.
Mr. Andrews of North Carolina with Mr. Murphy of Pennsylvania.
Mr. Rahall with Mr. Treen.
Mr. Hillis with Mrs. Heckler.
Mr. Jones of Tennessee with Mrs. Holt.
Mr. LaFalce with Mr. Dicks.

Mr. SKUBITZ and Mr. MARTIN changed their vote from "aye" to "no."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KREBS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FOLEY

Mr. KREBS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. KREBS to the amendment in the nature of a substitute offered by Mr. FOLEY: Section 14(e)(2) as contained in the matter proposed to be inserted by the amendment in the nature of a substitute is amended by adding at the end thereof the following: "Bidding at any oral auction shall start at an amount which is not less than the amount of the highest written sealed qualifying bid.".

Mr. KREBS. Mr. Chairman, I believe this is a very simple amendment and one that I thought would be noncontroversial in nature. All it really does is to provide that, according to the amendment in the nature of a substitute offered by the distinguished chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), the bids on any oral sale would start with the sealed bid process. After the sealed bid process had been completed, it would then move on to an oral bid. What my amendment does to the amendment in the nature of a substitute is it requires that any oral bidding that follows sealed bidding would have to start from the highest sealed bid figure. Which seems to me, under the circumstances, in light of the fact that we have been told all afternoon that collusion is just as easy on the sealed bidding as in the oral bidding that the least we can do in this bill is to start with the highest sealed bid rather than starting from scratch again and going through the charade of the sealed bidding again.

I urge that the House support my amendment.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. KREBS) to the amendment I have offered in the nature of a substitute.

The amendment offered by the gentleman from California (Mr. KREBS) is not necessary, because the procedure that the gentleman from California would incorporate into the law is the one that is already used in oral bidding.

Mr. Chairman, I would like to read to the Members from a letter I received in my office written to me as chairman of the Committee on Agriculture from John R. McGuire, Chief of the U.S. Forest Service:

WASHINGTON, D.C.,
February 6, 1978.

Hon. THOMAS S. FOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for clarification of procedures which are followed in conducting an oral auction for a timber sale.

Each advertisement for a sale to be sold by oral auction specifies that a sealed bid, accompanied by a bid deposit, will be required as a prerequisite for participation in the auction. In the conduct of an auction, the sealed bids are opened at the specified time. The presiding officer verifies that the sealed bids are complete and that the deposit with bid is in order. Once the qualified participants are determined, the oral bidding begins. No reductions of the prices bid on any item are permitted after a sealed bid has been opened. When the oral bidding is completed and a high bidder determined, the high bidder signs a second bid form confirming his final bid price.

Sincerely,

JOHN R. MCGUIRE,
Chief.

This is a totally unnecessary amendment. It has already been incorporated into the timber sales procedures of the Forest Service as it conducts oral auctions. In rejecting it, we will not prohibit bidding from starting at the highest point. That is already what occurs under Forest Service regulation. But adoption of this amendment would require the bill to go back to the Senate and thus cause unnecessary delay in its passage. I hope the members of the committee will reject it.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I just wanted to endorse what the chairman of the Committee on Agriculture has said, urge defeat of the Krebs amendment, and let us get on with passage of the Foley substitute.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KREBS) to the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The amendment to the amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KREBS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 295, noes 78, not voting 59, as follows:

[Roll No. 40]

AYES—295

Abdnor	Anderson, Calif.	Applegate
Addabbo	Andrews, N. Dak.	Archer
Akaka	Annunzio	Armstrong
Alexander		Ashbrook
Allen		Ashley

Aspin	Glickman	Ottinger
AuCoin	Goldwater	Pattison
Badham	Grassley	Perkins
Bafalis	Gudger	Pettis
Baldus	Guyer	Pickle
Barnard	Hagedorn	Pike
Baucus	Hall	Poage
Beard, R.I.	Hamilton	Pressler
Beard, Tenn.	Hammer-	Preyer
Benjamin	schmidt	Price
Bennett	Hanley	Pritchard
Bevill	Hannaford	Pursell
Blanchard	Hansen	Quayle
Boggs	Harsha	Quillen
Boland	Hawkins	Railsback
Bonior	Hefner	Regula
Bonker	Heftel	Rhodes
Bowen	Hightower	Risenhoover
Breaux	Horton	Roberts
Brinkley	Hubbard	Robinson
Brown, Ohio	Huckaby	Rogers
Buchanan	Hyde	Roncalio
Burke, Fla.	Ichord	Rooney
Burleson, Tex.	Ireland	Rose
Burlison, Mo.	Jacobs	Rosenthal
Butler	Jenkins	Rousselot
Byron	Jenrette	Rudd
Carney	Johnson, Calif.	Runnels
Carr	Johnson, Colo.	Russo
Carter	Jones, N.C.	Sarasin
Cavanaugh	Jones, Okla.	Satterfield
Cederberg	Kasten	Sawyer
Clausen,	Kelly	Scheuer
Don H.	Kemp	Schroeder
Clawson, Del	Ketchum	Schulze
Clay	Keys	Sebelius
Cleveland	Kindness	Seiberling
Cochran	Lagomarsino	Sharp
Cohen	Latta	Shuster
Coleman	Lederer	Sikes
Collins, Ill.	Leggett	Sisk
Collins, Tex.	Lent	Skelton
Conable	Levitas	Skubitz
Conyers	Livingston	Slack
Corcoran	Lloyd, Calif.	Smith, Nebr.
Cornwell	Lloyd, Tenn.	Snyder
Coughlin	Long, La.	Solarz
Crane	Long, Md.	Spellman
Cunningham	Lott	Spence
Daniel, Dan	Lujan	St Germain
Daniel, R. W.	Luken	Staggers
Davis	Lundine	Stangeland
Dellums	McClory	Stanton
Derrick	McCloskey	Steed
Derwinski	McCormack	Steers
Devine	McDade	Steiger
Dickinson	McDonald	Stockman
Dornan	McEwen	Stokes
Downey	McFall	Stratton
Duncan, Oreg.	McKay	Stump
Duncan, Tenn.	McKinney	Symms
Edgar	Marlenee	Taylor
Edwards, Calif.	Marriott	Teague
Edwards, Okla.	Martin	Thompson
Eilberg	Mathis	Thone
Emery	Mattox	Thornton
Erlenborn	Mazzoli	Trible
Ertel	Meeds	Tucker
Evans, Colo.	Metcalfe	Udall
Evans, Ga.	Michel	Ullman
Evans, Ind.	Mikulski	Vander Jagt
Fary	Mikva	Vento
Fascell	Milford	Volkmer
Fish	Miller, Ohio	Waggonner
Fisher	Mitchell, N.Y.	Walgren
Fithian	Moffett	Walker
Flippo	Mollohan	Walsh
Florio	Montgomery	Wampler
Flowers	Moore	Watkins
Foley	Moorhead,	Weaver
Ford, Mich.	Calif.	White
Ford, Tenn.	Moorhead, Pa.	Whitley
Forsythe	Murphy, N.Y.	Whitten
Fountain	Murtha	Wiggins
Fowler	Myers, Gary	Winn
Fraser	Myers, John	Wirth
Frenzel	Myers, Michael	Wolff
Fuqua	Natcher	Wright
Gammage	Neal	Wylie
Gaydos	Nedzi	Yatron
Gephardt	Nichols	Young, Alaska
Giaimo	Nolan	Young, Fla.
Gibbons	Nowak	Young, Mo.
Gilman	O'Brien	Young, Tex.
Ginn	Oberstar	Zablocki

NOES—78

Ammerman	Brooks	Conte
Bedell	Brown, Calif.	Corman
Beilenson	Brown, Mich.	Cornell
Brademas	Burgener	D'Amours
Breckinridge	Burton, Phillip	Danielson
Brodhead	Caputo	de la Garza
Delaney	Jordan	Rangel
Dingell	Kastenmeier	Richmond
Dodd	Kazen	Rinaldo
Drinan	Kildee	Rodino
Early	Kostmayer	Roe
English	Krebs	Roybal
Evans, Del.	Leach	Ryan
Fenwick	Lehman	Simon
Findley	McHugh	Smith, Iowa
Gonzalez	Markey	Stark
Gore	Meyner	Studds
Gradison	Miller, Calif.	Traxler
Harkin	Mineta	Tsongas
Harrington	Minish	Van Deerlin
Harris	Mottl	Vanik
Hollenbeck	Oakar	Waxman
Holtzman	Panetta	Whalen
Howard	Patten	Whitehurst
Hughes	Patterson	Wilson, Tex.
Jeffords	Pease	Yates

NOT VOTING—59

Ambro	Edwards, Ala.	Moss
Anderson, Ill.	Flood	Murphy, Ill.
Andrews, N.C.	Flynt	Murphy, Pa.
Bauman	Frey	Nix
Biaggi	Goodling	Obey
Bingham	Heckler	Pepper
Blouin	Hillis	Quie
Bolling	Holland	Rahall
Broomfield	Holt	Reuss
Broyhill	Jones, Tenn.	Rostenkowski
Burke, Calif.	Krueger	Ruppe
Burke, Mass.	LaFalce	Santini
Burton, John	Le Fante	Shipley
Chappell	Madigan	Treen
Chisholm	Maguire	Weiss
Cotter	Mahon	Wilson, Bob
Dent	Mann	Wilson, C. H.
Dicks	Marks	Wydler
Diggs	Mitchell, Md.	Zeferetti
Eckhardt	Moakley	

The Clerk announced the following pairs:

Mr. Ambro with Mr. Shipley.
Mr. Cotter with Mr. Mahon.
Mr. Rostenkowski with Mr. Chappell.
Mrs. Burke of California with Mr. Anderson of Illinois.
Mr. Nix with Mr. Frey.
Mr. Biaggi with Mr. Edwards of Alabama.
Mr. Mann with Mr. Bob Wilson.
Mr. Dent with Mrs. Holt.
Mr. Flood with Mr. Bauman.
Mr. Eckhardt with Mr. Ruppe.
Mr. Pepper with Mr. Treen.
Mr. Reuss with Mr. Wydler.
Mr. Weiss with Mr. Goodling.
Mr. Burke of Massachusetts with Mr. Quie.
Mr. Obey with Mr. Broyhill.
Mr. Moss with Mr. Hillis.
Mrs. Chisholm with Mr. Moakley.
Mr. Blouin with Mr. Charles H. Wilson of California.
Mr. Diggs with Mr. Broomfield.
Mr. Mitchell of Maryland with Mr. Marks.
Mr. Zeferetti with Mr. Santini.
Mr. Murphy of Illinois with Mr. John Burton.
Mr. Bingham with Mr. Andrews of North Carolina.
Mr. Flynt with Mrs. Heckler.
Mr. Maguire with Mr. Le Fante.
Mr. Murphy of Pennsylvania with Mr. Madigan.
Mr. LaFalce with Mr. Krueger.
Mr. Jones of Tennessee with Mr. Dicks.
Mr. Rahall with Mr. Holland.

Mr. HUGHES changed his vote from "aye" to "no."

Mr. THONE changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. BREAUX, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6362) to establish an Advisory Committee on Timber Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review, pursuant to House Resolution 974, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HAGEDORN

Mr. HAGEDORN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HAGEDORN. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HAGEDORN moves to recommit the bill H.R. 6362 to the Committee on Agriculture.

The SPEAKER pro tempore. Without objection, the previous question is ordered on a motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. FOLEY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FOLEY. Mr. Speaker, is it not correct that under the rule the next procedure will be to call up the Senate bill, which is identical in language with the substitute just adopted, and consider it in the House?

The SPEAKER pro tempore. The gentleman is correct. The gentleman has that option to so move.

Pursuant to the provisions of House Resolution 974, the Committee on Agriculture is discharged from the further consideration of the Senate bill (S. 1360) to amend section 14(e) of the National Forest Management Act of 1976.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 1360

An Act to amend section 14(e) of the National Forest Management Act of 1976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14(e) of the National Forest Manage-

ment Act of 1976 (90 Stat. 2959; 16 U.S.C. 472a(e)) is amended to read as follows:

"(e)(1) In the sale of trees, portions of trees, or forest products from National Forest System lands (hereinafter referred to in this subsection as 'national forest materials'), the Secretary of Agriculture shall select the bidding method or methods which—

"(A) insure open and fair competition;

"(B) insure that the Federal Government receive not less than the appraised value as required by subsection (a) of this section;

"(C) consider the economic stability of communities whose economies are dependent on such national forest materials, or achieve such other objectives as the Secretary deems necessary; and

"(D) are consistent with the objectives of this Act and other Federal statutes.

The Secretary shall select or alter the bidding method or methods as he determines necessary to achieve the objectives stated in clauses (A), (B), (C), and (D) of this paragraph.

"(2) In those instances when the Secretary selects oral auction as the bidding method for the sale of any national forest materials, he shall require that all prospective purchasers submit written sealed qualifying bids. Only prospective purchasers whose written sealed qualifying bids are equal to or in excess of the appraised value of such national forest materials may participate in the oral bidding process.

"(3) The Secretary shall monitor bidding patterns involved in the sale of national forest materials. If the Secretary has a reasonable belief that collusive bidding practices may be occurring, then—

"(A) he shall report any such instances of possible collusive bidding or suspected collusive bidding practices to the Attorney General of the United States with any and all supporting data;

"(B) he may alter the bidding methods used within the affected area; and

"(C) he shall take such other action as he deems necessary to eliminate such practices within the affected area.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6362) was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill S. 1360 just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7766. An act to authorize the mayor of the District of Columbia to enter into an agreement with the U.S. Postal Service with respect to the use of certain public air space in the District of Columbia.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4544) entitled "An act to amend the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established under such act, and for other purposes."

REMARKS OF THE HONORABLE CARROLL HUBBARD ON LEGISLATION TO CREATE AN INDEPENDENT FEDERAL CONSUMER PROTECTION AGENCY

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUBBARD. Mr. Speaker, tomorrow the House of Representatives is scheduled to consider H.R. 6805, the Consumer Protection Act. As one Member of Congress who has vigorously opposed the creation of yet another unwieldly Federal regulatory bureaucracy, as H.R. 6805 would, I want to share the following article appearing in the February 1978 addition of the Reader's Digest with my House colleagues. This timely article by Ralph Kinney Bennett is entitled "Consumer 'Protection' Consumers Don't Need." It is as follows:

The issues are clearly drawn. Supporters like Sen. Abraham Ribicoff (D., Conn.) say the legislation would "ensure that regulatory agencies take into consideration the views of consumers before making important decisions which have significant impact." Opponents echo the argument of Rep. Samuel Stratton (D., N.Y.) that this is no time "to create a whole new layer of bureaucracy to do essentially what existing federal agencies ought to be doing now."

After more than eight years of debate on Capitol Hill, a showdown is near on what many consumerists believe is the single most important piece of domestic legislation—creation of a tax-funded Office of Consumer Representation (OCR). They envision it as a grand watchdog that would intervene on behalf of consumers in the regulatory rulings and decisions of the federal government. It would serve as a countervailing force to regulatory agencies which, they contend, are captives of business and unresponsive to the consumer.

OCR's chief backer, Ralph Nader, originally envisioned the proposed agency as a "consumer strike agency" that would move throughout the federal regulatory system and "revolutionize" government. Over the years, efforts to make the concept more palatable for Congressional passage have perhaps made it less of a "strike agency." But they have not changed the basic thrust of the legislation, which would enable OCR to intervene in federal court against those agencies it felt were contravening the consumer interest. It could request those agencies to use their subpoena powers to extract sensitive, competitive information from businesses. Nader says this power is needed "to defend against corporate crime, against rapacious business practices." Moreover, supporters claim that the agency would have no greater power than any private party involved in regulatory matters.

To equate OCR with a private party is misleading. In a detailed analysis prepared for the Chamber of Commerce of the United States, regulatory-affairs attorney Mark Schultz notes: "OCR would have greater rights of judicial review of other federal decisions than any business entity. OCR has statutory authority to review any decision or action of government. No other public, private or governmental entity enjoys this same right."

In fact, it is precisely this power—unchanged through each form the bill has taken—that caused former Special Prosecutor Leon Jaworski to warn in April 1977 that a consumer agency "would be vested with authority so broad it could easily be turned to the political advantage of those who control it. There are no checks sufficient to harness that authority."

OCR's potential to disrupt normal dealings of various businesses and industries is awesome. An air-fare increase, duly deliberated and approved by the Civil Aeronautics Board, could be blocked by OCR and involved in litigation. Approval of a drug after lengthy study by the Food and Drug Administration might nonetheless be halted indefinitely by OCR. Banks, businesses, industries could be left in a state of apprehension and confusion by a single administering agency acting in the name of an undefined "interest."

Former Sen. Sam Ervin (D., N.C.), one of the nation's most respected authorities on constitutional law, warns that an OCR "would have all the rights of a regulatory agency, yet none of the responsibilities. It would have more power than real consumers ever dreamed of exercising."

OCR backers like Nader and Presidential consumer-affairs adviser Esther Peterson nevertheless continue to press for the agency's creation. Back in 1971, the 92nd Congress was just seizing consumerism as a solid voter issue when the House of Representatives passed a consumer-agency bill by an overwhelming vote of 344 to 44. In the 93rd Congress, the vote for an OCR was 293 to 94. When the 94th Congress voted on the measure in 1975, opposition in the House had grown to the point that it was barely approved, 208 to 199. Although the Senate had also passed the bill, certainty of a Presidential veto torpedoed it.

Last year, despite President Carter's strong support, the consumer-agency bill failed to reach the floor of either chamber for a vote. Clearly, many Congressmen who had previously voted for the measure had changed their minds. Rep. Patricia Schroeder (D. Colo.), one of the most ardent consumerists on Capitol Hill, questioned the need for an agency which, she says, "may satisfy the desires of a few consumer-advocate lawyers, but not necessarily the consumer." More than 400 newspapers across the country, including *The Wall Street Journal*, Chicago *Daily News*, *Washington Star*, Houston *Chronicle* and Boston *Herald American*, have editorialized against a consumer agency.

Late last year, the White House and consumerists amended the bill (changing the name from Agency for Consumer Protection to Office of Consumer Representation, but not changing the essential thrust of the agency as a powerful instrument for intervention). House leadership counted noses and found that this bill, too, could not pass. Rather than risk defeat in the waning days of the Congress, supporters promised to drive for passage early this session.

Why the dramatic legislative turnaround?

Polls have shown the public to be concerned over a broad range of consumer problems, but they also reflect a disillusionment with government as the potential solution, a disillusionment that seems to have been nourished by many consumer-oriented laws passed by Congress in the past decade. Enacted into law were dozens of new statutes from the Hazardous Substances Act to the Fair Labeling and Packaging Act, from the National Traffic and Motor Vehicle Safety Act to the Consumer Goods Pricing Act. A White House office of consumer affairs was enlarged and a Consumer Product Safety Commission was created to eliminate unsafe products from the marketplace. The country seemed to be embarking on a new era of assured quality and safety.

But the public quickly discovered that federal involvement on behalf of the consumer too often meant exasperating and expensive intrusion. One of the first ways this hit the public was through a piece of bureaucratic intervention called the ignition interlock. In the name of consumer safety, Americans could not start their new cars unless they fastened themselves into a harness of seat- and shoulder-belts. Congress was hit with a blizzard of angry mail and finally rescinded the law—but not before it had cost consumers $2.4 billion extra for their new cars.

But soon there was another well-meaning, ill-conceived rush to protect everybody from everything.

For example, when the Employe Retirement Income Security Act (ERISA) was passed to protect employe pensions, companies faced immense additional clerical work loads. A few companies estimated that costs of ERISA paperwork would exceed the amount of their annual contribution to their retirement plans. In 1975, the first full year under the law, ERISA regulations were a factor in 23 percent of the 4000 defined-benefit pension plans dropped. In 1976, 7300 plans were dropped and ERISA rules were a factor in 35 percent of them.

Well-meant regulations have often tended to disconcert consumers. Many people (those with arthritis, for instance) have found themselves frustrated by government-decreed child-proof caps on medicine bottles.* It is likely that many others would be frustrated by a new proposal that power lawnmowers be fitted with a device that would shut down the engine every time the machine came to a halt. Such a device could increase power-mower prices by as much as $100.

The cost of all this "protection" has been staggering. Washington University's Center for the Study of American Business estimates that federal regulation cost $65.5 billion in 1976; that's about $300 per citizen.

At the root of consumerism lies an elitist notion, say the opponents of the proposed OCR, that a third party knows better than either producer or consumer. Writing in the New York Times, Robert T. Quittmeyer, president of the Amstar Corporation, calls this "the arrogant desire to substitute some personal vision of order for the apparent disorder of the marketplace."

Consumerists insist that Office of Consumer Representation officials will have no difficulty in determining just what is in the consumer's interest. That interest, says Ralph Nader's organization, Public Citizen, is usually "apparent and uniform." But is it? Here are a few vexing policy areas in which OCR would have to decide, Solomon-like, the consumer interest.

The Food and Drug Administration wants saccharin banned on the ground it causes cancer in rats who ingest it in massive quantities. But what of the tens of millions of Americans, who, knowing this want saccharin to control their weight or because they suffer from diabetes?

Consumerists tend to favor continued federal controls of natural gas which keeps prices low. Some consumers benefit—at least in the short run. But what about those consumers who may get sharply limited amounts of gas because of price-induced shortages?

Dubious light is cast on OCR when one considers the important aspects of consumer interest that would not be covered, under the bill, because of political expediency.

As the price for organized labor's backing of the bill, OCR legislation exempts any intervention in matters regarding union agreements on labor disputes. Yet such agreements and disputes affect consumers through the higher product prices caused in part by wage hikes or long work stoppages, or through the sheer unavailability of, say, certain makes of cars during an auto strike.

Also exempted from OCR scrutiny would be a great many activities of the Department of Agriculture, virtually removing one of the prime consumer interests—food and food prices—from any consideration. License-renewal proceedings of radio and television broadcasting stations have also been exempted. In fact, at least 37 different exemptions were "sold" for support of a consumer agency. Says Sen. James Allen (D., Ala.): "This is evidence to me that those advocating further federal involvement want an official slot in government at any price. They are prepared to trade scope so they can get power."

Richard O. Simpson, former chairman of the Consumer Product Safety Commission, raises an interesting question: "If we accept the premise that federal agencies are not responsive to the interests of consumers, by what logic should we create another federal agency and expect thereby to correct the deficiency?"

If it votes to create an OCR, Congress will be going on record as unable to control the many agencies which it has set up over the years, unable to make them respond to the needs of the people—who are, after all, the consumers. And President Carter, who has proclaimed himself the nation's "top consumer advocate" has pledged his Administration to *reducing* the bureaucracy while making it more efficient and responsive.

Sen. Robert Dole (R., Kan.), one of those who once backed a consumer agency but now strongly opposes such legislation, says: "If reorganization to make government more responsive and efficient is a sincere concept, why then do we need a super-agency to police that government? I find the two concepts utterly inconsistent. We should follow the President's lead in putting our governmental house in order before we create an independent agency to do it for us."

*Bottles with ordinary caps can be obtained, on request, at pharmacies.

SOCIAL SECURITY REFINANCING ACT

(Mr. MIKVA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today we are announcing the introduction of the Social Security Refinancing Act, a bill which will substantially ease the burden of social security taxes on middle-income taxpayers while maintaining the financial integrity of the social security system and the commitment to senior citizens.

The primary purpose of the social security amendments adopted last year was to meet the urgent need of keeping the social security system solvent. In responding to that sense of urgency, it has become clear that last year's action also resulted in an intolerably burdensome payroll tax for middle-income taxpayers and for many businesses. The urgent task now is to seek alternatives for financing the social security system which we believe are incorporated in the bill we are introducing today.

In brief, this bill will reduce the payroll tax burden by almost one-third; make the social security system actuarially sound for the next 75 years; reestablish a 100 percent reserve fund to protect beneficiaries from inflation and recession; and, return the system to its original design as a retirement program.

The Social Security Refinancing Act accomplishes these goals by removing the Disability Insurance Trust Fund (DI) and the Hospital Insurance Trust fund (HI) (also known as the medicare program) from payroll tax financing. This change in financing would insure a payroll tax rate below the 1978 tax rate for the next 42 years. The magnitude of the change is so great that the new tax rate even in the year 2051 would be about the same as the scheduled tax rate for 1982.

These substantial tax cuts do not sacrifice actuarial integrity. Before the social security amendments were adopted last year, the old age and survivors trust—the largest social security program providing benefits to 33 million Americans—was expected to run out of funds in 1983. Passage of the amendments assured continuation of the program until 2030. The Social Security Refinancing Act, by comparison, puts the system on an actuarially sound basis with a substantial reserve fund until 2051. This guarantees all current social security retirement and survivor beneficiaries and all current social security taxpayers that their retirement benefits are secure well into the middle of the next century.

The use of a payroll tax solely to fund the old age and survivors trust is consistent with the original purpose of the social security system established in the 1930's. The DI program was not created until 1957, and HI was not added until 1965. Under the Social Security Refinancing Act, both of these funds would derive their contributions from general revenues. The change is an appropriate one: the supplementary medical insurance trust of medicare currently is funded primarily from general revenues, and 35 percent of all DI beneficiaries receive benefits from the Treasury financed supplemental security income (SSI) program.

Also, payroll tax financing is advisable only where benefits bear a relationship to earnings, as in a private pension plan. Neither medicare nor disability benefits bear the same nexus with earnings as retirement benefits.

Last year's social security amendments saved the system from impending collapse, and its beneficiaries from poverty and welfare. But those amendments also revealed the intolerable burden of the regressive payroll tax and its antiemployment bias. It is imperative that we now look to new financing methods for HI and DI. The new source of funding should be from general revenues.

For years, this source has been resisted because of a generalized fear that access to general revenues would eliminate Congress ability to resist interest groups clamoring for new and increased benefits. That argument is no longer persuasive. The experience of other western countries has been that the use of general revenues is possible without losing control. Moreover, the Congress now has the Budget Control Act which is a much more visible demonstration of Congress fiscal restraint than the payroll tax.

The Social Security Refinancing Act which we are introducing today is a concept, we believe, whose time has come.

It is not only consistent with easing the payroll tax burden of middle-income families and employers but is also consistent with the goal of an improved, stable economy.

Mr. Speaker, at this time we would like to include a chart showing the tax rates, wage base, and the contributions over the next year.

SOCIAL SECURITY WAGE BASE LEVELS, TAX RATES AND CONTRIBUTIONS UNDER PRIOR LAW (PL), CURRENT LAW (CL), AND THE SOCIAL SECURITY REFINANCING ACT (SSRA)

Year	Wage base		Tax rates			$10,000 wage earner			$15,000 wage earner			$20,000 wage earner		
	PL	CL SSRA	PL	CL	SSRA	PL	CL	SSRA	PL	CL	SSRA	PL	CL	SSRA
1979	$18,900	$22,900	6.05	6.13	4.33	$605	$613	$433	$908	$920	$650	$1,143	$1,266	$866
1982	23,400	31,800	6.30	6.70	4.40	630	670	440	945	1,005	660	1,260	1,340	880
1985	27,900	38,100	6.30	7.05	4.40	630	705	440	945	1,058	660	1,260	1,410	880
1987	31,200	42,600	6.45	7.15	4.40	645	715	440	968	1,073	660	1,290	1,430	880

Year	Wage base		Tax rates			$25,000 wage earner			$30,000 wage earner			$40,000 wage earner		
	PL	CL SSRA	PL	CL	SSRA	PL	CL	SSRA	PL	CL	SSRA	PL	CL	SSRA
1979	$18,900	$22,900	6.05	6.13	4.33	$1,143	$1,404	$992	$1,143	$1,404	$992	$1,143	$1,404	$992
1982	23,400	31,800	6.30	6.70	4.40	1,474	1,675	1,100	1,474	2,010	1,320	1,474	2,131	1,399
1985	27,900	38,000	6.30	7.05	4.40	1,575	1,763	1,100	1,785	2,115	1,320	1,758	2,686	1,676
1987	31,200	42,600	6.45	7.15	4.40	1,613	1,788	1,100	1,935	2,145	1,320	2,012	2,860	1,760

A NATIONAL ACADEMY OF MEDICINE

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, I am today introducing a bill to establish a National Academy of Medicine, to educate and train the many qualified students and scholars seeking to become doctors, surgeons, and other medical specialists, who are today denied admission to our existing medical colleges.

Students of the subject have come to recognize that the doctor shortage in this Nation is becoming critical. Whether or not we ever establish a comprehensive program of national health insurance, we must educate and provide a sufficient number of doctors, if we are ever to have adequate and proper health care for the ever-increasing population of this Nation.

Presently we graduate only about 15,000 doctors a year. Of these a much smaller number enter the active practice of patient care. Those who do practice tend to cluster in the more affluent sections of our cities, towns, and larger metropolitan areas, while the less densely populated areas, in all too many cases, do not have any doctor at all practicing in their communities.

HEW says that 16 million of our citizens live in doctor-shortage areas. Nine million of these are in the rural areas. Adding to the problem is the fact that many of the brightest students who graduate from medical schools never practice medicine at all, preferring the more desirable working hours, conditions, and guaranteed salaries which are open to them in the field of research.

As a consequence, we find our public general hospitals—which should be the centerpieces of our entire health care industry—understaffed and compelled to import foreign nationals simply to keep their doors open for the poor and the sick in their areas.

Furthermore, this shortage of practicing physicians contributes significantly to the high and constantly rising costs of adequate and proper health care, which has risen beyond the reach of many of our citizens in the middle- and low-income brackets.

It is common knowledge that both the public and the private medical colleges of the Nation have for many years engaged in the practice of limiting their enrollments. Thousands of able and qualified young people who have applied for admission to medical schools have been turned away, every year.

Many have been bitterly disappointed in the past, because—rightly or wrongly—they have felt their rejection and denial of an opportunity to obtain a medical education was a result of unfair discrimination, having to do with their sex, race, or ethnic backgrounds. While admission policies of many medical colleges have undergone a laudable change in the past few years, it is still true that existing medical colleges, for one reason or another, continue to accept only a fraction of those applicants who are top students and scholars, and who have all of the qualifications to make excellent physicians. In the meantime, the doctor shortage only gets worse. The public general hospitals in all too many cases are so severely handicapped by the lack of adequate and competent physicians they can barely function.

Think of it—all of our medical colleges in this great Nation are graduating only about 15,000 new doctors a year. A drop in the bucket. As perceived by all too many citizens, this smacks of a deliberate policy of planned scarcity. I, for one, believe we should do something about it. We can no longer wait. We know it will take many years to educate and train new physicians, and we had better face up to this very real problem today, before the shortage escalates to crisis proportions.

The bill I am introducing, today, is but one small step we must take, if we are serious about trying to provide adequate health delivery services to the people of this Nation. The bill—by amending the Public Health Service Act—sets up a National Academy of Medicine under the supervision of the Surgeon General of the United States, with discretion, subject to the approval of the President, to create up to three branches to be spread geographically and according to population and the proximity of essential supporting hospital and other facilities throughout the United States. This Academy would educate and train 1,600 graduating doctors a year, at no cost to the students. But a condition of eligibility for his free medical education, would be the agreement of each applicant to serve as a commissioned officer in the regular corps of the Public Health Service after the completion of residency and internship—for a period of 6 years in the case of general practitioners and 9 years in the case of surgeons or other specialists—during which periods there would be withheld from their salaries monthy an amount to compensate the Government, in part at least, for the cost of their education and training, as may be determined as just and equitable by the Congress.

The Surgeon General would be empowered to assign and reassign the graduate doctors to places of service in the Public Health Corps where he determines the greatest need exists, with an emphasis on service in the public general hospitals and other public health facilities of the Nation.

The bill sets up a five-man Select Commission for the Academy, the Commissioners to be appointed by the President, to undertake the development and supervision of the Academy and provide for its curriculum, faculty, accreditation, admission standards, and courses of study.

Admission to the student body of the Academy would be decided by competitive examinations from among nominees selected by all Members of the U.S. Senate and House of Representatives, each of whom may make 10 nominations for each of three vacancies in each entering class in the Academy.

By this bill, a new Academy would be able, within a few years, to start sending out approximately 1,600 graduate doctors per year.

Mr. Speaker, I feel that the National Academy of Medicine is a long overdue idea whose time has come, and I solicit the support of my colleagues in its speedy passage.

INADEQUATE BRIDGES: HOPE FOR IMPROVEMENT IN 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

Mr. CORCORAN of Illinois. Mr. Speaker, I was very interested to receive from the Carter administration its so-called highway/public transportation legislation proposal dated January 26, 1978, especially the section dealing with the bridge replacement and rehabilitation program. In that proposal, the administration recommends that the bridge program be expanded to include rehabilitation as well as replacement of bridges with a Federal share of 80 percent, increased from the present 75 percent share for bridge replacement programs. It also stated that up to 30 percent of the funds may be used for bridges which are located off the Federal aid system. This is certainly one area where bridge replacement funds can be and must be increased. Finally, the President's proposal would increase funding for the special bridge replacement program from $180 million annually to $1.9 billion over a 5-year period. These are certainly encouraging signs.

As many of my colleagues can attest to, the problems with the bridges in this country are critical and widespread. On November 21 of last year, I accompanied several transportation officials on an inspection tour of bridges in my district. These people represented the National Transportation Policy Study Commission and the Illinois Department of Transportation. Our purpose was to learn, first hand, the problems caused by unsafe and inadequate bridges in the area. On this inspection tour, we visited seven bridges, covering several types and various sizes. These bridges were located on major highways and on country roads as well as in cities.

We learned that, in this district, as in many others in the country, many of the bridges currently in use are reaching the end of their useful life. Take these facts as examples;

One highway bridge out of every five in the United States is deficient and dangerous to use. More than 100,000 spans are officially in that category now, and the number is rising.

Every 2 days, on average, another bridge sags, buckles or collapses.

Poor bridge approaches and lack of adequate signs and signals kill an estimated 1,000 Americans yearly, in addition to the 8 or 10 who die as a result of actual bridge failures.

These statistics and other findings appeared in a recent article in the U.S. News & World Report on January 9, 1978 entitled "Weak Bridges: Growing Hazard on the Highways." I bring this article to the attention of my colleagues and include it for printing in the RECORD in its entirety:

WEAK BRIDGES: GROWING HAZARD ON THE HIGHWAYS

At a time when cold weather is posing added problems, a survey of this country's highway bridges shows thousands so badly neglected that they comprise a "disaster just waiting to happen."

So reports a group of Federal Highway Administration engineers who have uncovered dangerous bridges in every part of the country.

Says W. J. Wilkes, director of FHA's Office of Engineering: "The hazard always grows at this time of the year, when bitter cold often causes the steelwork to become brittle, resulting in more bridge failures."

Among the findings of the survey—

One highway bridge out of every 5 in the U.S. is deficient and dangerous to use. More than 100,000 spans are officially in that category now, and the number is still rising.

Every two days, on average, another bridge sags, buckles or collapses.

Poor bridge approaches and lack of adequate signs and signals kill an estimated 1,000 Americans yearly, in addition to the 8 or 10 who die as a result of actual bridge failures.

DANGEROUS FAULTS

On highways built with federal aid—the nation's major roads—some 7,000 bridges are considered structurally unsound, FHA experts report, and another 25,000 are called "functionally obsolete" because they are narrow, have low overhead clearance or are poorly aligned with the road. Replacing these 32,000 unsafe bridges would cost about 10.4 billion dollars and would take 80 years at the present rate of the replacement program, the engineers estimate.

The cost of replacing all of the unsafe bridges, both those on federal-aid and nonaid local highways, is computed by FHA officials at 23 billion dollars.

Why have the nation's bridges been allowed to deteriorate to this extent? The main reason is that local governments tend to spend limited highway funds on other things first. A federal bridge-replacement program was started in 1972 to provide 75 per cent of the cost of needed work on city or State bridges, but only 475 million dollars has been authorized, and work is going slowly. Up to December, 1976, just 978 bridges had been or were being upgraded under this program.

Examples of what has happened to bridges as a result include—

A span over the Hudson River at Troy, N.Y., collapsed in 1977, fortunately with no deaths involved.

Two persons died when a bridge over the South Canadian River in central Oklahoma fell in 1976.

In 1975, a link over the Yadkin River near Siloam, N.C., collapsed, causing four deaths and 16 injuries.

The biggest modern tragedy was the collapse of the Silver Bridge over the Ohio River in 1967, with a death toll of 46 persons.

There are lesser problems, too, that are aggravating and time-consuming.

Near Weatherford, Tex., is a highway bridge with a 20,000-pound weight limit. But the county fire department there reportedly exceeds the legal limit by driving its 22,000-pound truck over the span routinely—because the detour would require 30 miles of driving and perhaps an hour of extra time.

Ten States with the most unsafe bridges

	Number of deficient or obsolete bridges
1. Iowa	14,000
2. Oklahoma	5,945
3. Pennsylvania	5,939
4. New York	5,750
5. Kansas	5,540
6. Texas	5,846
7. Missouri	4,786
8. Tennessee	4,755
9. Nebraska	4,500
10. Illinois	4,436

Rerouting of school buses around unsafe bridges is an increasingly common necessity. In one rural Midwestern community, this practice costs the schools an extra $12,000 a year.

In Indiana, a survey by Purdue University showed that more than 6,500 county bridges are unsafe for standard-sized school buses carrying 60 or 65 children. Several schools there have been forced to close from time to time as a direct result of bridge conditions.

Narrow bridges, built before 1935 when cars and trucks were smaller, lighter and fewer, are a particular problem. Three-fourths of all spans in the country are in this category, and many cannot handle modern traffic. Typically, a truck-bus collision in 1972 on a narrow bridge near Fort Summer, N.M.., killed 19. A similar accident in Fort Stockton, Tex., took 15 lives.

HOW COSTS SHOOT UP

Meanwhile, the number of deficient highway bridges in the country reported to the FHA is rising steadily.

In 1968, it was estimated that 88,900 of the nation's crossings were either structurally deficient or functionally obsolete. The replacement cost then was estimated at 14.8 billions. By last year, the number of unsafe bridges recorded had risen to 105,500, an increase of 15.7 per cent, and the estimated replacement cost had risen by more than 50 per cent.

In Congress, hearings have been started, and 14 bills are pending to expand the nation's bridge-upgrading program by as much as 2 billion dollars a year, from the present level of 180 million annually. No bill is likely to reach the floor of either house until next spring.

As one official remarked recently: "With at least 105,000 bridges that people use everyday now listed as unsafe and the number rising steadily, it's only a matter of time before a series of bridge disasters occurs that will make the recent dam breaks look like a Sunday picnic."

THE NEED FOR MORE COMPLETE FOOD LABELING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, in the CONGRESSIONAL RECORD of January 31, I discussed briefly some of the research being done in my office concerning the subject of food labeling. In my opinion, this is one of the most important consumer issues in the Nation today.

You may recall that the emphasis of my statement was on the interest private citizens have expressed in my efforts to require complete disclosure of ingredients on the labels of processed foods. Today I wish to share with my colleagues some of the items that have appeared in the press, reporting on what I am doing.

The first article appeared in the Chicago Tribune in mid-December and conveyed my interest in receiving letters from the citizens who are interested in the food labeling issue. As I noted before, that article resulted in dozens of letters coming into my office from concerned consumers all over Illinois.

A second article ran about a month later in several papers in the Cox news chain. It discusses some of the mail I received as a result of the first article. The Cox article, by Andy Alexander, also

gives a brief description of the current activity on the food labeling front.

Third, there is an article by Dave Hess that was syndicated recently by the Knight newspaper chain. It describes my current activities and discusses some likely next steps. This story recently appeared in one of my hometown newspapers, the Dayton Daily News.

At this point in the RECORD, I wish to insert the three articles:

[From the Chicago Tribune, Dec. 15, 1977]

ICE CREAM TRAGEDY SHOWS LABELING NEED

(By Carol Rasmussen)

U.S. Rep. Charles W. Whalen Jr. (R., Ohio) remembers Michael Grybsank. Many Chicagoans probably do, too.

Young Grybsank ate a bowl of butter finger ice cream at a friend's house and died shortly thereafter. He died because he was highly allergic to peanut butter, a sensitivity which he was so well aware of that he asked to see the carton of ice cream and could find no mention anywhere of peanut butter or peanuts as an ice cream ingredient.

So he ate the ice cream. It took too long to figure out that the food to which he was so sensitive was in the candy bar used in the flavoring of the ice cream.

The story about his death made national headlines back in 1972. Some people felt that this death, as unfortunate and unnecessary as it was, might at last be what the Food and Drug Administration (FDA) needed to make it see the value of listing all ingredients on food labels.

"There have been numerous efforts to broaden the laws on disclosure of food ingredients on labels," said Marc Rosenberg, special projects director to Congressman Whalen. "But all have petered out for one reason or another."

Congressman Whalen's interest in the problem, Rosenberg added, was piqued by a letter from one of his constituents who had recently learned that she had severe allegies and was encountering great difficulty in choosing foods that were safe for her because labels did not fully disclose all the ingredients used in the foods.

"He may not press the point further unless he sees there is public interest in the idea of full ingredient disclosure on food labels," Rosenberg added.

As the law presently stands, there are some foods that are standardized, explained Rosenberg, meaning all the ingredients that can be used in them are listed in a big fat book on the government's shelves, and labels on these foods do not have to disclose any ingredients, Rosenberg noted.

Its original purpose was to prevent fraud; a manufacturer couldn't claim that it was making, say, mayonnaise when the bottle really contained a look-alike that was something else.

But now that many foods can legally contain numerous chemical additives and people are beginning to recognize that allergies and other problems are attributed to some of them, many consumers feel they need to know all of the ingredients used in making all food products.

Beyond that, consumers should be told exactly what flavorings and colorings are used in any foods, standardized or not. "People look at the labels and when they see a long list of ingredients they assume everything is disclosed and it turns out that it's not," Rosenberg said. Labels presently only need state that flavorings and colorings are used, but they do not have to specify which ones.

In the case of yellow dye number 5, the American Academy of Allergy recently submitted a statement expressing concern that it was highly allergenic and they have patient histories of people getting sick from it, Rosenberg said.

On Feb. 4 of this year, the FDA proposed that this dye, when used, be listed on food labels, but to date it is still of proposal status, not a law, and therefore not mandatory.

Congressman Whalen thinks that if it can be shown that consumers really need to know all of the ingredients used in food products, then something might be done, Rosenberg said. He is asking that people write to him explaining the problems they face, if any, due to the lack of full disclosure of ingredients on food labels. His address is 1035 Longworth House Office Building, Washington, D.C. 20515.

[From the Lufkin (Tex.) News, Jan. 18, 1978]

CONGRESSMAN RECEIVES LETTERS ABOUT POOR LABELING

(By Andrew Alexander)

WASHINGTON.—It started with abdominal cramps. Then came the diarrhea, migraines and dizziness.

"This latter was so severe that when I got up I had to sit on the edge of the bed for five to ten minutes until my head quit whirling," wrote Irma Aleshire of Chicago.

After days of suffering, the 77-year-old retired physician finally traced the cause of her misery to the canned fruits she had been eating.

It seems the manufacturer had substituted less expensive corn syrup for sugar, but never noted the change on the can labels. Mrs. Aleshire, who has been highly allergic to corn for her entire adult life, had no way of knowing.

Her letter was just one of a bundle sent to Rep. Charles W. Whalen, R-Dayton, after a Chicago newspaper noted recently he was researching the problems of inadequate food labeling.

Most were from consumers with allergies who told horror stories of pain and misery caused because food labels had not warned them of what they would be eating.

Despite the pleas of America's estimated 15 million allergenics with special dietary needs, there has been little movement in recent years toward food labeling reform.

But with the new year there are signs of activity.

The Food and Drug Administration (FDA), whose job it is to enforce existing labeling laws, has said it will hold hearings on the problem.

And the House Subcommittee on Health and the Environment—for many years accused of neglecting the issue—will be holding its own hearings on reform by midsummer.

In fact, subcommittee chairman Rep. Paul G. Rogers, D-Fla., has already drafted a bill which would beef up labeling requirements.

Donald Dalrymple, a top subcommittee staffer, said last week he believes there is a good chance Congress will enact a new labeling law before adjourning later this year.

But with so many who suffer from allergies, the question is: Why has it taken so long?

Douglas M. Bloomfield, a legislative assistant to Rep. Benjamin S. Rosenthal, D-N.Y., who has been fighting for tougher labeling standards for years, says Congress is to blame.

"Congress responds more to crisis than to problems of this nature," he said. "This is a nagging, agonizing problem that goes on day after day, but there aren't a lot of people suddenly dropping over dead. And besides, the consumer side isn't organized, and where there is organization there's no funding to lobby."

"But on the other side," he said, "you've got pressure from some of the biggest commercial interests in the country."

Bloomfield was apparently referring to trade groups like the Grocery Manufacturers of America and the National Food Processors Association, which represents canned food producers.

The law today on food labeling is defined by a maze of confusing and seemingly illogical rules and regulations governed by FDA.

For example, "Standardized" foods (like ice cream) are required to contain certain "mandatory" ingredients, but none of those ingredients are required to be listed on the package. However, a long list of "optional" ice cream ingredients are required.

Other foods are required by FDA to list all their ingredients on the label—except for spices, flavorings and coloring additives which can be highly harmful to some allergenic consumers.

The result is often bewildering to the diet-conscious shopper.

"If it says 'plus flavor,' you still don't know which flavor was used," observed Marc H. Rosenberg, special projects director for Rep. Whalen.

"If you're buying a pizza mix and they use oregano in the sauce, they don't have to tell you that," said Bloomfield. "All they have to say is 'plus spice.'"

He also noted that in recent years a number of food coloring and flavoring additives have been found to be cancer-causing, yet they were frequently never required to be listed.

There are signs the food industry may be willing to agree to some modest changes in labeling requirements. For example, several industry spokesmen said they liked the Rogers bill, which calls for a listing of ingredients if FDA found them to have a "significant bearing" on the food product.

But the industry is still expected to adamantly oppose efforts to require a listing of every ingredient.

"They can go hog wild and pretty soon you have a label that's nine feet long with room for everything on it, including the name of the guy who cooked the food," mused Tony McHale of the National Food Processors Association.

McHale and some FDA officials say that food manufacturers frequently must vary their contents, substituting additives when some ingredients are in short supply. The result, they say, is that the cost of constantly switching labels will push up food prices.

"Every time you're forced to change a label," said McHale, "it's going to drive up the price, and somebody's got to pay for the extra cost."

But Dalrymple noted that food packages are already changed frequently to accommodate new coupon or discount offers. "If they can do that," he said, "I don't understand why they can't periodically change the information on the labeling."

Some industry spokesmen also warn that by revealing all ingredients, competitors might learn how to duplicate their product That is why they shriek at the suggestion by some consumer groups that the labels also contain a breakdown of the exact percentage of each ingredient used.

FDA consumer safety officer Ray Gill says proposed revisions in labeling should undergo a "cost-benefit analysis" to determine if there are really millions of consumers who would take advantage of the additional information.

A study by the General Accounting Office several years ago suggests there may be.

In addition to the millions of allergenics, GAO also estimated there are 23 million Americans with heart conditions and more than four million with diabetes or kidney ailments—most of whom need to avoid certain food ingredients.

"There are also dietary laws," noted Rosenberg. "If you're a Moslem or a Hindu, you want to know what you're eating."

In critical need of ingredient information are those allergic to chemical food additives, says Virginia Nichols, who runs a special food store for allergenics in Beavercreek, near Dayton. The store, which she says is one of only three of its kind in the nation, caters especially to "chemically sensitive" eaters.

She regularly flies in organically-grown chemical-free food from California. The air freight charges boost the prices, but the IRS has ruled that taxpayers may deduct that additional cost if the food is needed for their diet.

But the food industry is expected to oppose listing all chemical additives on the grounds that not enough people would benefit from the information.

[From the Dayton Daily News, Feb. 2, 1978]

WHALEN THROWS WEIGHT BEHIND CLEAR-LABEL EFFORT

(By Dave Hess)

WASHINGTON.—Rose Marie Vita's son became ill after eating a packaged spaghetti sauce mix.

Suspecting that her son might have been felled by an old nemesis, an allergy to corn and its byproducts, she wrote to the company that made the sauce and asked for a list of the ingredients.

The company, she said, "refused to tell me the list of ingredients."

Under existing food labeling laws, the company was within its rights to refuse. It is not required by law to list the various substances—oils, flavorings, colorings—in its products.

Vita, an Illinois businesswoman, says that is wrong: "Every American has the right to protect his health and indeed his very life."

Rep. Charles W. Whalen, Jr. (R–Dayton) agrees.

He is building a case for legislation to require all ingredients and chemicals that go into packaged foods be listed on the container.

Knowing the ingredients of packaged foods, Whalen said, "is of more than passing interest to millions of Americans who are allergic. In some cases, the answer to what's in the food can spell the difference between sickness and health."

The National Institutes of Health has estimated that about 35 million Americans suffer, in varying degrees, from some form of allergy.

Those who suffer from other chronic health problems—diabetes, high blood pressure, excess blood cholesterol, ulcers, hyperactivity—also have a right to know what is in their food, Whalen believes.

People whose diets are keyed to religious beliefs also should be told what they are eating, Whalen added.

Yet food labeling laws are severely restricted and sometimes unwittingly lead to misunderstandings about the actual content of many foods, Whalen said.

One of the classic examples cited by food-labeling advocates was the case of Michael Grybsank, who died from an allergic reaction to peanut extracts in an unlabeled box of ice cream.

Whalen calls ice cream a problem food because, under federal law, it is considered to be "standardized."

That means it must contain certain ingredients in order to be sold as genuine "ice cream."

The problem, Whalen said, is that no explanatory labeling is required for standardized foods because federal law presumes that people know what is in them.

"Even if that were true, that people did know," said Whalen aide Mark Rosenberg, "the fact is that these foods can also contain other things—artificial flavorings and colorings and the like—besides the basic ingredients that make them what they are."

An Indiana allergist, Dr. J. P. Ornelas, of Merrillville, said that the "average person consumes about five pounds of artificial dyes a year. And about 85 per cent of supermarket foods have artificial flavorings or artificial colorings or both."

Research has failed to prove whether an accumulation of these chemicals is harmful, said Ornelas. But his own practice, he said, along with other medical evidence, has shown that some widely used flavorings set off allergic reactions in people who also take aspirin.

Ornelas is critical of the various artificial flavorings used in cheaper, prepackaged ice creams.

Benzul acetate, for instance, a powerful nitrate solvent, is sometimes used to give ice cream a strawberry flavor, Amyl acetate, an oil paint solvent, imparts a banana flavor, Ornelas said. Ethyl acetate, a pineapple flavor, is used as a rug or leather cleaner, and its vapors have been implicated in cases of lung, heart and liver damage, he said.

Whalen is considering a petition to the Food and Drug Administration, asking it to use its existing powers to require more explicit labeling on food packages.

"We think FDA already has the authority, under its power to set 'standards of identity' for foods, to force fuller disclosure of ingredients," a Whalen aide said.

Whalen also indicated he might sponsor legislation to deal with the problem.

FLEXIBLE PARITY ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 10 minutes.

Mr. SEBELIUS. Mr. Speaker, last week in a statement released in Kansas, I said that despite the fact that the administration has said no again to additional assistance and various parity proposals, that our Kansas farmers should not give up trying to change and improve current farm policy.

I made these comments after questioning Agriculture Secretary Bob Bergland about the possibility of immediate cash flow assistance under existing farm program authority in view of administration opposition to changing the 1977 Farm Act and various parity proposals submitted by the American Agriculture Movement.

Secretary Bergland, and I am paraphrasing his response, told us that it was too soon to judge the new farm act, that farmers should participate in the set aside, put their grain into the Government reserve and be patient. However, the farmers in High Plains wheat country facing immediate foreclosure or that financial precipice down the road, cannot take patience to the bank. Patience is about the only commodity in short supply in farm country nowdays.

I realize that the administration just does not think the current problems we are experiencing merit changing current farm policy. I also realize that without hope and faith, the farmer would never plant a seed in the ground. I am hopeful that given some recent encouraging developments over the past few weeks, that the administration will change current policy decisions just as was done during consideration of the farm bill when we were able to win the battle for improved target price deficiency payments for grain.

I am encouraged because I believe that more of my colleagues fully understand that we are in the midst of the worst financial crisis since the Great Depression and are sympathetic to the farmer's plight. I am encouraged because recent polls show the American public better educated to basic farm economics and that it is in the consumer's best interests that the farmer make a profit.

I am encouraged because several political pundits, whose columns are followed closely by everyone in Washington, are now reporting the farm problem is the No. 1 political issue throughout the country.

I am also encouraged by the fact while the farmers' march and pleas to be on a par with the rest of our society has hit an administration roadblock, we still have farm representatives who are not giving up and believe there is always more than one way to find answers to our problems.

Last week, my good friend and colleague, the Honorable BOB DOLE, Senator from Kansas, along with several cosponsors, introduced S. 2481, the Flexible Parity Act of 1978. Rather than simply repeat what my colleague from Kansas has said I will simply let his remarks explain in full this unique and new legislative approach. This bill has merit worthy of consideration in terms of gasoline and diesel fuel savings alone. I commend to the attention of my colleagues the following remarks by my Kansas colleague, Senator BOB DOLE. It is my intent to solicit cosponsors and reintroduce this legislation next week:

REMARKS BY SENATOR DOLE

I am introducing a bill today to adjust target prices for grain and cotton. Under my bill, which I call the Flexible Parity Act of 1978:

An individual farmer can choose the target price he needs up to parity, but must scale down his production accordingly;

My bill will not interfere with exports;

It will not contribute to foreign production increases;

It will not encourage substitutes; and

Under my bill, costs would be reasonable since scaled down production should result in higher market prices, resulting in reasonable level of deficiency payments.

Now for the first time, farmers will have a mechanism under which they can collectively control their production and each individual may select the target level and set-aside that is best for his farm operation. With this legislation there will be no necessity for set-aside payments since farmers will be receiving target price incentives up to the parity level.

I have considered a similar approach on soybeans, ice, sugar, and peanuts and I may wish to apply this principle to these crops after producers have had an opportunity to testify at Agriculture Committee hearings scheduled to commence February 23, 1978.

Cost estimates are not easy to assess for this flexible parity approach because of the difficulty in anticipating farmers' response to the various target prices and set-aside options available to them. However, since substantial improvement in farm prices would likely occur as the effects of the set-aside are felt, I believe that budget exposure would be relatively modest. I will illustrate with an example for wheat, corn, and cotton:

WHEAT EXAMPLE

Assume farmers choose on the average a 35 percent set-aside in order to be assured of $4 per bushel target price, assume further that the 35 percent set-aside will actu-

ally cut production by 25 percent resulting in a 1.5-billion bushel crop instead of a 2-billion bushel crop.

If this production adjustment, coupled with a vigorous export market promotion program, raised market prices to $3.50 per bushel, the additional amount of exposure for deficiency payments would be $750 million (.50 per bushel × 1.5 million bushels).

CORN EXAMPLE

Assume farmers choose on the average a 35 percent set-aside in order to be assured of a $2.85 per bushel target price. Assume further that the 35 percent set-aside will actually cut production by 25 percent, resulting in a 4.5-billion-bushel corn crop instead of a 6-billion-bushel crop.

If this production adjustment coupled with a vigorous export market program raised market prices to $2.85 per bushel, the additional amount of budget exposure for deficiency payments would be zero.

COTTON EXAMPLE

Assume farmers choose on the average a 35 percent set-aside in order to be assured of a 69-cent-per-pound target price, assume further that the 35 percent set-aside will actually cut production by 25 percent resulting in a 10,500,000-bale crop instead of a 14-million-bale crop.

If this production adjustment, coupled with a vigorous export market promotion program, raised market prices to 65 cents per pound, the additional amount of exposure for deficiency payments would be $210 million ($20 per bale × 10,500,000 bales).

Let me say very quickly what this bill will do. It applies to wheat, feed grains, corn, and cotton. It says to that American farmer, whether he be in Kansas or Arkansas or New Mexico or South Carolina or Tennessee or Illinois, that he can choose the target price that he might need for parity, but if he does that, he has to scale down his production. Let me give a quick example of how that would apply to a wheat farmer in the State of Kansas or any other State.

Under the present program, if he sets aside 20 percent of his production, then the so-called target price is $3 a bushel. I want to state very quickly that that is not a Government payment. The target price is the target price. If the market price is $2.90, there is a payment of 10 cents. If the market price is $3, there is no payment at all.

The problem in America today is that there is too much supply. We have too much wheat, for example. It depresses market prices. In order to restore the marketable competition, we have to reduce that supply. Farmers are willing to reduce that supply, but they would like to stay in business in the process so they can continue to produce for themselves, for American consumers, and for the hungry in the world and others who look to us for leadership in agriculture.

What I have done is try to devise a flexible parity concept which says that, if you reduce your production of wheat 25 percent, the target price is $3.25 a bushel; if you reduce your production 30 percent, the target price is $3.50 a bushel; on a 35 percent reduction, the target prices goes to $4; on 40 percent, it goes to $4.25; 45 percent, it goes to $4.50; 50 percent, it goes to parity—$5.04 a bushel. The same is true for corn, for feed grains, or for cotton.

Let me make it very clear that before the farmer can receive that increased target price, that incentive, he has to cut production. He cannot have it both ways. He cannot have full production and high target prices.

It seems to me, after weeks of research and searching for some alternative, that we have come up with an idea and a program that is geared toward the marketplace.

Some have suggested that we ought to raise the loan rates up to parity. I do not believe that. All we do by raising loan rates up to parity or some higher figure than they are now, on wheat or corn or whatever, is to interfere with exports. If the farmer has any future in America, it is in exports.

In addition, this will not contribute to foreign production increases. We are not setting up some artificial price that will encourage every other wheat producer to plant fence-to-fence and destroy the market.

Also, I think it is going to cost a very small amount, because if you cut your production, you are going to have fewer bushels on which to pay a target price in the first place. In the second place, the market price is going to be strengthened and the target price concept will not go into effect.

SIXTIETH ANNIVERSARY OF LITHUANIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, February 16, 1978, marks a special day in man's historic struggle for freedom and self-determination, for it was on that day 60 years ago that the Lithuanian people established their own government and proclaimed their independence.

The Lithuanian Council of Chicago is commemorating this 60th anniversary with a program at Maria High School auditorium on Sunday, February 12. The officers of this outstanding organization include Rimas Sarka, president; Vincent Samaska, executive secretary; Ignas Andrasiunas, Algis Jasaitis, Casimir G. Oksas, Mykolas Pranevicius, vice presidents; Irena Sankus, treasurer; Antanas Svitra, financial secretary; Stasys Mankus, recording secretary.

Trustees include Euphrosine Mikuzis, Teodora Kuzas, Charles K. Smilgys, and Oskaras Kremeris.

The members of the Lithuanian Council of Chicago are as follows: Kristina Austin, Petras Bucas, Elena Bucinskas, John Evans, Adele Gabalis, Juze Gulbinas, Petras Jokubka, Jura Jasiunas, Veronika Lenkevicius, Julius R. Kuzas, Jr., Juozas Kapacinskas, Algirdas Puzauskas, Julius Pakalka, Donatas Stukas, Pranas Sekmokas, Vladas Soliunas, Justinas Sidlauskas, and Jonas Valaitis.

The Lithuanians took the historic step of independence in 1918, at the close of World War I, and for 20 years thereafter, Lithuania enjoyed peace and freedom from oppression. During this period the Lithuanian economy stabilized, and there was a great renaissance of national literature and culture.

But in 1939, the Soviet Union began a campaign of intimidation on this tiny country and concentrated its armed forces on the Lithuanian frontier. This massive threat was followed on June 15, 1940, by actual occupation of Lithuania by the Red Army. The valiant Lithuanian Government had no alternative, but to concede to brutal Soviet demands.

Immediately the Communists began arresting and executing the Lithuanian patriots. Non-Communist political parties were liquidated, and leaders in these parties were imprisoned. Thousands of Lithuanians lost their lives or were forcibly moved in cattle cars to distant parts of Russia's occupied territorities in the East. The people were forced to vote in national elections in which only the Communist Party was represented. The Lithuanians, despite these hopeless odds, resisted heroically—but to no avail. The Soviets finally succeeded in forcibly annexing Lithuania and subjugating these courageous people.

Despite condemnation by the free world of this unlawful aggression against the sovereign rights of a free people, the Soviet Union still occupies Lithuania and maintains Communist troops within her borders. The national culture is gradually being destroyed and the Lithuanian people are forced to suffer under the harsh yoke of cruel Soviet oppression.

Mr. Speaker, I was glad to join with other Members of Congress a few years ago in appealing to Soviet authorities for the release of Simas Kudirka, a Lithuanian seaman who tried to obtain political asylum in the United States by boarding a Coast Guard vessel. Kudirka was eventually released after harassment and imprisonment by Soviet authorities, and he eventually made his way to the United States. This courageous Lithuanian addressed the Bicentennial Convocation on Global Justice, convened by the National Conference of Catholic Bishops, on life in Soviet-occupied Lithuania at the preset time, and a portion of that statement by Simas Kudirka follows:

The Universal Declaration of Human Rights, adopted by the United Nations December 10th, 1948 and the Helsinki Accord, adopted last year at the European Security Conference, are regularly being trampled upon by the Soviet government in its dealings with the Lithuanian people in general, and religious believers in particular.

Article 7 of the Declaration of Human Rights states: "All are equal before the law and are entitled, without any discrimination, to equal protection of the law . . ."

In Catholic Lithuania today, ever since the Soviet Union seized that country by force in 1940, one set of standards is applied to atheists, and a completely different set of unwritten standards is applied to believers.

Atheists are allowed and encouraged to meet, to study their teachings, and to propagate atheism by every means, including the mass media. Believers are discouraged from attending religious services, and are denied any access to mass media at all. Only small token editions of a handful of publications have been allowed, completely inadequate for 3 million people, most of whom are still Catholic by persuasion.

Believers are harassed and imprisoned for transgression of the least regulation, while atheists go scot-free after breaking the law by interfering with the religious rights of believers and even burglarizing, vandalizing and burning places of worship (those that are still remaining).

Article 8 of the Universal Declaration of Human Rights states: "Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted by the constitution or by law."

The Soviet constitution guarantees the rights of freedom of conscience, of worship, of association, and of the press. When Soviet authorities have daily violated these constitutional rights, repeated formal written complaints to the proper Soviet authorities by individuals and on occasion by thousands of signers have not only been ignored, but have brought upon the petitioners further injustices such as imprisonment and fines.

Article 9 of the Universal Declaration of Human Rights states: "No one shall be subjected to arbitrary arrest, detention or exile".

In one night alone, June 14–15, 1941, 34,260 Lithuanians were packed into cattle cars and sent on a harrowing journey to undisclosed regions in the Soviet Union. There were no trials; the only apparent reason for arrest of these thousands, including children, was that they were real or potential opponents of Soviet Communism. In all, it is estimated that some 300,000 Lithuanians suffered a similar fate, along with tens of thousands of Latvians and Estonians.

Julijus Steponavicius, the Archbishop of the capital city of Vilnius, has been forced into exile from his diocese for fifteen years. "To this day I do not know why I was exiled from my diocese, or how long the exile will last", he recently wrote in complaint to Lithuanian Premier Jonas Maniusis.

While I was still a prisoner in the concentration camp, on the eve of December 10, 1972, a freezing night, I secretly climbed a pole in the Potma prison compound and raised a makeshift flag of the United Nations for the whole camp to see the next morning, which was Universal Human Rights Day. The flag had been secretly pieced together from scraps of cloth by fellow prisoners. Tattered though it was, to us it symbolized hope. That hope, for me, was shattered once I reached the West and learned that the fate of Soviet political prisoners is not on the agenda of the United Nations, and is not likely to get there.

May I appeal to you, who represent the spiritual leadership of the free world, to put the human rights of the people in Soviet-occupied territories on your agenda.

SIMAS KUDIRKA.

Mr. Speaker, it is was for these reasons that I introduced House Concurrent Resolution 5 at the beginning of the 95th Congress, which follows:

H. CON. RES. 5

Whereas the Government and the people of the United States of America have maintained and enjoyed excellent and friendly relations with the Governments and peoples of the Baltic States Republics of Latvia, Lithuania, and Estonia, during the years of independence of these Republics; and

Whereas the concept of liberty and freedom of choice of government is still alive in this country, as it has been constantly since the Declaration of Independence; and

Whereas the evidence produced at the hearings of the select committee of the House of Representatives to investigate the incorporation of the Baltic States into the Union of Soviet Socialist Republics overwhelmingly tends to prove that the actions of the Union of Soviet Socialist Republics in relation to these free and independent Baltic Republics were contrary to the principles of international law and the principles of freedom; and

Whereas the people of this Nation have consistently shown great sympathy for the peoples of these three Republics, especially as a result of their enslavement and as a result of the inhuman exile and deportation of great numbers of law-abiding persons from their native lands to imprisonment in slave labor camps in the Union of the Soviet Socialist Republics: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) the President of the United States of America should continue the American policy of nonrecognition of the unlawful absorption of the Baltic States Republics of Latvia, Lithuania, and Estonia into the Union of Soviet Socialist Republics, and continue the recognition of the diplomatic and consular officers of these Republics as the lawful representatives of these three nations in the United States of America; and

(2) the President should take such steps as may be appropriate, through the United States delegation to the United Nations, to raise in the United Nations the question of the forced incorporation of Latvia, Lithuania, and Estonia into the Union of Soviet Socialist Republics and request the United Nations to conduct an investigation of conditions in the said Baltic Republics to the intent and purpose that Soviet armed forces, agents, and colonists be withdrawn therefrom, and that the exiled peoples of these Republics be returned thereto in freedom, and that free plebiscites and elections be held therein, under the supervision of the United Nations, to let the people, in freedom, make their own election and choice as to government.

Mr. Speaker, on behalf of the many thousands of Lithuanian Americans residing within my own 11th Illinois Congressional District, whom I am privileged to serve, and also for Americans of Lithuanian heritage all over this Nation who are commemorating this anniversary, I urge the early enactment of this legislation.

On this occasion, I want to assure the courageous Lithuanians that our Nation continues to support their just aspirations for freedom and independence, and I want to express the fervent hope that the goal of Lithuanian self-determination shall soon be realized.

THE PEACE CORPS AND LIGHT CAPITAL TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland, (Mr. LONG) is recognized for 5 minutes.

Mr. LONG of Maryland. Mr. Speaker, helping the poor people of the world to help themselves is the principal goal of the U.S. foreign aid program. Through light capital technologies that will enable small farmers and rural craftsmen to create their own "sweat capital," we can initiate endogenous development among the hundreds of millions of small producers in the poor countries.

I should like to bring to my colleagues' attention a recent speech by Mary E. King, Deputy Director of ACTION, on the importance of appropriate technologies for involving the poor in their own development. In her speech, Ms. King recounts how Ecuadorean villagers heard of a new technology in use nearby—a methane generation plant producing cooking fuel and fertilizer—and how these villagers then asked a Peace Corps volunteer to help them build such a plant in their own village. This example illustrates the importance of providing poor people with information on existing technologies they can use and also demonstrates the eagerness of rural villagers to help themselves.

The existing network of 6,000 Peace Corps volunteers around the world could provide a vital link in a worldwide information and delivery system for light capital technologies. I hope my colleagues will take the time to read the speech which follows:

REMARKS BY MARY E. KING, DEPUTY DIRECTOR, ACTION AGENCY (PEACE CORPS), PARTNERS OF THE AMERICAS, SANTO DOMINGO, DOMINICAN REPUBLIC, SATURDAY, NOVEMBER 19, 1977

I am particularly pleased to address this meeting of the Partners of the Americas. The word "Partners" has a special significance for me, not simply because I am here representing the Peace Corps, another organization committed to the concept of partnership.

Indeed, we enjoy a special contractual agreement with the Partners to identify Volunteers to work in special education with mentally retarded, the blind and deaf. We have long worked together in agriculture, nutrition and health.

But the concept of partnership has meaning for me because of what I learned when I worked in the civil rights struggle in my country. The lessons are clear. Meaningful change comes about only when people work together in partnership, not as donors or recipients, but as equals, with an equal obligation to participate. The civil rights movement taught me that change cannot be bestowed from without nor can it be imposed from above; it can only be the result of the full participation of the people most affected.

So, too, in development.

It is clear that the principles relating to the involvement of people in their own development are universal: they apply to small communities, to nations, and to interaction between nations. Nothing can ultimately be substituted for the direct involvement of people, people who feel a deep sense of commitment to finding locally relevant solutions to local problems.

The Partners of the Americas and the Peace Corps have long held to these principles of participatory development. Today, as political leaders and development theoreticians increasingly come to these same conclusions, we have a special responsibility and a unique opportunity to serve as an example to the rest of the international community.

This leads me to my topic—"Appropriate Technology, the Key to Particpatory Development."

Technology can be defined as the application of scientific principles for the achievement of "Progress." But when we talk of Appropriate Technology, we are talking about an approach, an attitude, a way of looking at the nature of change—a strategy which leads to meaningful development through increased self-reliance at the local level.

Writing over 40 years ago, Mahatma Gandhi said that helping small-scale industries and otherwise strengthening local communities, "provides an outlet for the creative faculties and resourcefulness of the people . . . It may harness all the energy that at present runs to waste."

The Appropriate Technology approach to development taps this energy and talent, and is based on certain principles. Let me suggest these three principles for our thought and discussion:

1. Development begins at the community level and moves upward and outward to build nations; it cannot be imposed "from the top down"

2. The goal of development is self-sufficiency, not reliance on external resources with resulting dependency

3. No meaningful change can take place if people are not involved as full participants in the development and use of their own resources.

Generally, appropriate technology implies low cost, small-scale, labor-intensive solutions to local problems. Always, it implies understanding that undue reliance on finite resources will inevitably lead to social and economic dislocation, and that all solutions must be socially and culturally appropriate to the particular setting.

The means and processes brought to bear, then, are those that can be reproduced and continued locally, without the need for unrealistic amounts of outside capital or technical support. At their best, appropriate technologies should be replicable in other communities, but only when and where it makes sense in local terms. Basic to appropriate technology is the premise that each approach must be constantly evaluated and reevaluated to determine just how appro-

priate it is for a given time, place, culture and setting.

As you probably know, questions have been raised about the true intent and impact of appropriate technology. To some, appropriate technology is village-level "busy work," sidetracking people from addressing broader and more fundamental institutional and political reforms. Some see it as second-class "hand-me-down" technology—an inexpensive way for the "have" nations to keep the "have-nots" temporarily satisfied and quiescent while continuing to control the more modern means of production.

Much of this skepticism has been spawned from previous development schemes which in fact were heavy-handed and sometimes arrogant. Such efforts, regardless of intent, imposed Western models on cultures and places where such models were inappropriate or even destructive.

By focusing on the community level, appropriate technology can help a society gradually adjust to the necessary changes that development can cause while maintaining, preserving, even promoting local culture, values and identities. Previous development approaches too often, whether intentional or not, required the wholesale abandonment of cultural standards.

Appropriate technology seeks to work in harmony with the cultural traditions of the area. With its emphasis on limited scale, appropriate technology can serve as a buffer against the kind of bulldozer-mentality development which has abused so much of the world (including large parts of the United States, I might add).

Perhaps the best way to describe appropriate technology is by illustration. Let me briefly tell you about a situation I think you'll agree exemplifies development at its best—leading to the kind of locally-based progress and self-sufficiency we all want to see.

People in the small community of Ilumán in the Province of Imbabura, Ecuador, heard about a machine in nearby Araque which converted cattle manure into a gas for cooking and a fertilizer for the fields and gardens. They went to see this Araque Methane Gas and Fertilizer Plant and were given a demonstration of how it worked. It was, in their words, "maravilloso" and they began to discus how what they had seen could be usefully applied to their own village.

The Peace Corps became involved when these villagers sent a letter to the Volunteer who was working with the Araque project to ask for Peace Corps' help in establishing a similar methane digester operation in Ilumán. "We ask for your help," they wrote. "We will provide our total effort because we want to carry out this projected work for the benefit of our families."

In their letter, the farmers noted the need for better sanitation in their village. With the digester, manure would no longer be left along pathways or in other community places, but would be collected and converted into cooking gas. In addition, the resulting sludge would be an excellent fertilizer.

The villagers were very interested in the new source of fuel. To get firewood, they wrote, "we have to walk almost four hours to the hill of the hacienda, spend an hour to cut wood, and walk another four hours back to our house to cook with this wood, which lasts at most four days." Years ago, they could pick up the wood freely near their homes; now their land is denuded and bare, and they have to pay the owner of the hacienda for the privilege. "We are not satisfied living this way," they said.

Something else particularly attract the people of Ilumán. Cattle would be kept in a central stable in order to facilitate the collection of manure for the digester. Villagers had long wanted a stable, because theft of cattle was a major problem. Many were forced to guard their precious cattle in their own houses with their families during the night.

There were several basic, predictable gains which would result from the methane digester. Yet, there is more to the story. When the pipes for the methane gas were installed in the village, they were tested for leakage with water. The sight of clear running water in their houses prompted the village women to ask for a change in the plan. Our Volunteers are now working with them to convert the system so that it can deliver both water and gas, alternately, through the same pipes.

Three Peace Corps Volunteers served the people of Ilumán. But the actual work—and even more importantly, the enthusiasm and desire—was based in the local community itself. The villagers are committed to the very hard work of building the digester because they know the potential the system offers.

You know as well as I do that "biogas generators" like the one in Ilumán are not new. In various forms, such systems have been used for decades in India, China and elsewhere. To me, what is significant in this story is the development of human resources through the partnership of the Peace Corps Volunteers and the villagers—with appropriate technology. Although some of the skills and knowledge came from outsiders, there is no way that this technology could have been *imposed* from outside on that village.

No expert could have predicted that a group of villagers would decide to use an alternative energy technology because their cows were being stolen, or that others in their village would become interested in joining the project because a test for leaks in the methane pipes resulting in running water in the houses of participating families. And the project is successful not just because the Volunteers are committed but because the people themselves want it to be; they have invested their energy, their sweat, their hopes—themselves—to make it succeed.

Appropriate technology recognizes that true development takes place only when the people who are to benefit are truly involved and committed.

Development theoreticians and practitioners are increasingly realizing that the focus of appropriate technology should be village-level development—as an antidote to the failure of 25 years of large-scale, capital-intensive development. But the principles of appropriate technology are equally applicable at all levels of development; both in the United States and in other countries. As an example, let me cite the predicament in which the U.S. finds itself with its current health care system.

Hospitals in the U.S. have become classic examples of what happens when technology is applied for technology's sake, losing sight of people and their real needs

With massive expenditures of capital and professional energies, we in the United States have some of the most sophisticated medical training, records and facilities in the world. Yet at the same time, right in the nation's capital, the infant mortality rate of 29 per thousand live births in 1975 was higher than Taiwan's, which was 26. In that same year, the median income in Washington, D.C. was $9,583; in Taiwan it was $810. And life expectancy in Sri Lanka is higher than it is in Washington, D.C.

The hard fact is that in the U.S. something is wrong with our system of health. A single day in an American hospital can cost a patient several hundred dollars; care has become so costly that many don't even seek assistance when they need it.

We must, therefore, live with the contradiction of having highly sophisticated means to meet specialized problems and wholly inadequate, low-cost primary health care capabilities. The U.S. health system, in short, is inappropriate for large numbers of our nation's people. It has specialized and priced itself beyond reach of the basic needs of people in meeting the professional needs of practitioners and providers.

I believe that this situation can be turned around, especially if we're willing to learn from the experiences of other countries. Tanzania may be one example to study. President Julius Nyerere put it this way, "While other countries aim to reach the moon, we must aim for the time being to reach the village."

In 1972, over half of Tanzania's health budget went to hospital and high level care. By 1976, that number had dropped to 12%. The bulk of Tanzania's health budget last year was turned to more immediate primary care health needs.

The use of paraprofessionals, community based clinics, massive health immunization, and nutrition education programs—these are areas where the U.S. could learn a great deal from nations far ahead of us. The Peace Corps sends its volunteers to assist local communities. But equally important are the lessons they bring back to the United States.

The kind of volunteer exchange work in which you are involved has that same dual practical application. Texans going to work in their partner nation of Peru can go not only to assist Peruvians, but also to observe and study ways to improve basic social conditions and to foster crosscultural understanding. And visiting Peruvians can offer assistance and also absorb information in a similar fashion. Ecuador has a partner in Idaho. Maybe the people from the mountainous area of Iluman could teach a few things to people from the mountains of Idaho.

We are coming to realize just how much is left to develop right at home in the U.S., how much we have to learn from others. In many countries, for example, women have much higher professional status, have more to say about policy, more control of family and community life and have more of an integral role in community and village life than is true in parts of the United States. Where women's efforts and contributions are wasted or downgraded, everyone loses. Some of you can be an example and a model for us.

We truly are partners here in the Americas. Partners in need, partners in interests, partners in meeting the economic, social and political needs of all of our people.

The Partners of the Americas represent the pluralism of the Americas as we are entering a period of perhaps less formal but more intense cooperation. We need to consult closely with each other, to assist and learn from each other's work.

The development work of private volunteer groups such as the Partners of the Americas has been outstanding. And while development needs still far outstrip all current efforts, volunteer potential is boundless. If the people of the Americas can be involved—as volunteers—in meaningful, relevant work to improve the situation for all our people, together we can move to meet basic human needs, and meet them in technically and culturally appropriate ways.

Appropriate technology can be a thread tying our efforts and our roles together. The opportunity exists now to achieve real and positive gains by building on the desire and resources of the people for whom our development programs are designed.

Pablo Casals once found the Peace Corps exciting in this way:

It is new and it's always old. We have in a sense come full circle. We have come from the tyranny of the enormous, awesome discordant machine," he said, back to the realization that the beginning and end are people, that it is people who are important, not the machine; that it is people who account for growth, not just dollars or factories, and

above all that it is people who are the object of all our efforts.

It is that vision we must all retain. Otherwise all the programs, all the spending, all the efforts in which we're engaged lose their point and their meaning.

EXECUTIVE LEADERSHIP: THE KEY FACTOR IN DETERMINING THE SUCCESS OF THE WORLD HUNGER COMMISSION AND IN ADVANCING THE PRESIDENTIAL HUNGER INITIATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

Mr. NOLAN. Mr. Speaker, on Friday, February 3, 1978, President Carter announced that he would sign an Executive order establishing the Commission on Domestic and International Hunger and Malnutrition as proposed by House Resolution 784 and Senate Resolution 271. The Commission's success, however, depends upon firm Executive leadership.

In order for the Commission to function as intended by Congress and in order to advance the President's own world hunger initiative, I recommend the following:

Appointment of a roving Ambassador on World Hunger by the President, with a Special Assistant to the President title as well to make clear that the Ambassador is the President's own envoy and liaison contact within the White House mechanisms on hunger issues at home and abroad, with duties including but not limited to:

Selecting personnel for and chairing the Commission on World Hunger, and to provide continued nongovernmental input into planning on hunger-related issues.

Representing the President in interagency preparations for and representation at major multilateral world hunger forums like the World Food Council, the Food and Agriculture Organization of the United Nations, the International Agricultural Development Fund, et cetera.

Chairing interagency policy mechanisms related to improved domestic and international food assistance operations, and their relationships to other economic development assistance.

Representing the President in speaking to the American people in mobilizing citizen support for greater initiatives in the broad economic assistance area involved in hunger problems, recognizing that mass support is needed to win congressional approval.

Assign the new Ambassador and Special Assistant to the President responsibility for developing, with all executive departments concerned, a new Executive order guiding division of responsibilities on administration of domestic and international food assistance and other hunger-related programs now cutting across agency lines

Designating an Ambassador on World Hunger firmly implants Presidential leadership on all such programs, gives the White House the opportunity to coordinate executive policy with the Commission on World Hunger, and responds to the intent of Congress while going even further to demonstrate the President's personal concern and leadership. The Ambasssador's role thus will complement and strengthen the work of the Commission.

Whatever else happens, some order must be brought out of the present administrative confusion concerning food assistance efforts in which the Department of Agriculture, the Department of Health, Education, and Welfare, the Agency for International Development, the Departments of State and Treasury, and the Office of Management and Budget are all involved. Instead of the normal interagency committee procedures, designation of a top public figure of the President's choice, acting in his name, will carry far more weight in bringing about administrative policy coordination without necessarily shifting actual operating responsibility from cabinet departments. The Ambassador's office could function with a minimal staff of a deputy knowledgeable about these programs, perhaps an economist and a writer detailed from departments concerned, and secretarial support.

There are ample precedents for establishing a special ambassadorial role out of the White House; the post and its functions would be similar to but broader in concept than the food for peace role filled at the White House by Senator GEORGE MCGOVERN back in the Kennedy era. It proved effective then in raising the level of concern with food aid, and in linking it more directly to the Presidency, and could do so again now.

As the author of House Resolution 784, it was always my intention that the Commission on World Hunger should perform a substantive rather than ornamental function. By having the President's Ambassador on World Hunger chair the Commission, its role will be significantly upgraded, giving it the scope of authority necessary to perform the task envisioned by Congress. Such executive leadership, carried out in consultation with Congress, will focus attention on developing a clearly defined and coordinated national food, hunger, and nutrition policy.

INTERVIEW WITH FORMER SPEAKER JOHN W. McCORMACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts, (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, I would like to call to the attention of my colleagues an article in the December publication of Friar magazine. This magazine is published monthly by the Order of Friars Minor of New York.

In an interview with Barbara Craig of this magazine, our former Speaker, John McCormack, evaluates the Carter administration, the aftermath of Watergate and Vietnam, and discusses his busy daily schedule since retiring from the House of Representatives nearly 8 years ago. I have often travelled around Boston with the former Speaker and must say that his daily schedule is a difficult one even for people who are half his 85 years of age. Speaker McCormack is a very energetic, active member of the Boston community and has retained the same love of life, humor and compassion for this great Nation of ours that he always had when he served in the House of Representatives. While his whole life was that of a legislator, he has now found fulfilling opportunities to help in a very personal way the people whom he represented in the Congress for four decades.

I commend to the attention of my colleagues the following articles about the most well known and admired citizen of Boston, John W. McCormack.

JOHN W. MCCORMACK

"Hope for the best . . . be prepared for the worst."

(By Barbara Craig)

A strong hand is needed at the helm if the United States is to remain the world's greatest power, according to former Speaker of the House, the Honorable John W. McCormack.

"I believe Jimmy Carter will prove to be a great president," he said. "He has deep faith in the Almighty. We need such a man in the White House. Jimmy Carter has always had a good family life. He lives as he believes. We need a strong President, a deeply religious one. Jimmy Carter is such a man. It is my hope, and my prayer, he will get the United States back on the right track again. This is a great country. It can be so much greater."

The silver-haired Democrat, now 85, was interviewed in his office in the John W. McCormack Post Office Building in his home town of Boston, Massachusetts. McCormack, who retired in 1970 after 42 historic years in Congress, is still as alert and erect as he was during his years in Washington.

The retired Speaker was reluctant to discuss Richard Nixon, Watergate and related matters. "I don't believe in kicking a man when he's down," said the long time Democrat leader. "I'm not going to discuss Watergate. I do have my opinions, but I prefer to keep them to myself." As an afterthought, he added: "I did send Mrs. Nixon a letter at Christmas. I wanted her to know that her family still had John McCormack as a friend."

McCormack termed "isolationism" one of the great threats to the Nation's future. "No matter how we feel, we can't cut ourselves off from the rest of the world," he declared. "The wrong kind of public opinion can be a dangerous thing.

"Before Pearl Harbor, we had what I believe was a dangerous public opinion. I don't like to use the word dangerous, but I must. As a result, we were only able to squeeze the Selective Service bill through the House by one vote! Imagine what would have happened after Pearl Harbor, if the military draft was not operative. We would have lost thousands of lives while we were setting the machinery in motion. As it was, it took almost three years for this Nation to convert to full wartime production.

"Not too long ago, a wave of isolationism swept this country. It was after Vietnam. Isolationism was going full speed. Now I think that trend has stopped. I think the people are aware of our loss of direct influence in Southeast Asia. I think they are aware that, despite detente, the Soviet is still bent on world domination.

"Now I know the first law of survival is self preservation. And for that reason the idea of isolationism can be so contagious it is almost galloping. But we must oppose the idea. We can't lock ourselves away from our friends in other parts of the world. They need us, and we need them.

"Another thing. We cannot afford to live purely in a world of hope. We cannot just

hope for the best in the world situation. It is well to have our Government hope for the best, but we must always be prepared for the worst. We must remain strong, and always on the alert. We've got to be prepared before the fact. There will never be another after-the-fact opportunity. After Pearl Harbor in 1941, we were able to mend our wounds, and defeat our foes. We will never have another after-the-fact opportunity again."

The veteran legislator is extremely proud of the role he played in getting the Social Security Act on the books. "I led the fight in the Ways and Means Committee back in the thirties," he recalled. "I remember people called it Socialism. I used to stand up in Congress and say, 'You call it Socialism. I call it dynamic democracy in the industrial age!'

"I remember fighting to get the Bill through committee, and fighting for rapid advancement of this important legislation to what we called 'the top of the hill'. Many Bills made it to the top of the hill, but not over. And it was several years before we could get them back to the top again. The important thing was to get the Bill over the hill, so it could become law.

"In the beginning, there wasn't much money. But it was a start, and we were able to improve the Bill as the years went by. We had it on the book. That was the important first step. We were able to make improvements as the years went by. Don't worry. If Social Security runs into any financial problems in the future, Congress will pass the necessary legislation."

Despite his alleged retirement, McCormack has a daily schedule that would leave most younger men exhausted.

"I spend my days at the office," he revealed. "I get phone calls from all parts of the country. And there is usually a tremendous amount of mail. I bring home a dozen letters or so at night, and reply to them myself." In addition, the former Speaker is called upon to make countless appearances in the Boston area, where he is an authentic folk hero. During his half-century in Massachusetts and national politics, countless thousands of Bostonians have called upon John McCormack for help, and never once has he been known to fail them.

"I remember when I was only thirteen," stated the old time politician, "I was interested in politics even then. I used to love to attend the street corner rallies in South Boston where I grew up and listen to the politicians. Back then, the big issue was women's suffrage. Everybody was against it. There wasn't one politician who would speak out in favor of it.

"It was at those street corner rallies that I made up my mind about giving the women the right to vote. It was the first decision of a political nature I ever made. I would go home and look at my dear mother. I knew she was a citizen. It was only a question of marking a ballot. And I would say to myself, 'who dares tell me my mother can not vote as well as any man, and better than most?' "

When he was thirteen, McCormack's father, a bricklayer, died, and he became the man of the house. In addition to his mother, there were two younger brothers.

"I had a newspaper route," he recalled, "and that brought in some money. Still, I had to quit school. I never was able to attend high school, or college. I've always regretted that. I have great respect for the educated man. Education is one of the greatest investments any country can make.

"Still, if I had to make a choice between a man who was brilliant, but lacked common sense, and one who had a limited education and common sense, I'd take the latter man. In choosing my staff members, I always favored the man with common sense. It's a most important factor."

McCormack continued, "After I left school, I got a job with Western Union for a while, and then I went to work in a broker's office. I was making three dollars and fifty cents a week. Then William T. Way, a Boston lawyer, offered me a job for four dollars a week. I asked the broker if he could match it. He couldn't, so I went to work as an office boy in a law office. That extra fifty cents was the turning point in my life. The broker went out of business a year later. By that time, I had become interested in becoming a lawyer.

"Mr. Way, a wonderful man, encouraged me to read law, and he made all the books he had in his law library available to me. It seemed like a hopeless task, and the odds were against me. Still when I became discouraged, I would look at my dear wonderful mother and all my sadness would go away. I wanted to become a lawyer. I wanted her to be proud of me. I'm sorry to say she died five months before I passed the Massachusetts bar examination at the age of twenty-one."

For a while, McCormack served as a practicing attorney. But politics had captured his heart, and in 1917, he was elected to delegate to the Massachusetts Constitutional Convention. When World War I broke out, he resigned and enlisted in the Army. Later, he served in the Massachusetts House of Representatives from 1920 to 1922, and in the State Senate for three years.

In 1928, the voters of the 12th Congressional District sent the young politician to Congress. He remained there until his retirement in 1970. His memories are many.

"I remember back in 1945 when we were having coffee in a small room we called "The Board of Education,' " he stated, "Sam Rayburn was at the table with me. There were a couple of others too. Harry Truman was also at the table, and somebody came up and handed him a note. His face went white, I remember that. He stood up and said he had to go some place, and then left the room. Later that day, we learned that Franklin Delano Roosevelt had died, and Harry Truman had become President."

Then there was the matter of granting statehood to Alaska and Hawaii. "For some reason," he revealed, "Mr. Sam (Rayburn) felt that all states should be a part of the mainland of the United States. Lyndon had cleared the way in the Senate for statehood for Alaska and Hawaii. But Rayburn was slow in bringing the matter upon the floor of the House. He was Speaker at the time, and his approval was needed before a Bill could be introduced.

"Well, Lyndon and I kept talking to Sam. We kept at him. We didn't stop. And finally, after three or four weeks, Sam said, 'I will not stand in the way'. This meant he wasn't changing his position. He was still opposed to having states that were not part of the mainland. It also meant he wasn't going to prevent the statehood Bills from being introduced in the House. Later, statehood was granted to both Alaska and Hawaii."

With a smile, McCormack added "I think what won Sam over was that Lyndon and I kept telling him we should grant statehood while there was a Democratic Congress. We told him we didn't want the Republicans to get the credit later on."

There is one memory that still haunts the former Speaker. "It was during the early forties," he said. "At the time, I was majority leader. I was summoned to the White House by President Roosevelt along with Sam Rayburn and other key Congressional leaders. We knew it was going to be an important meeting because we were told that General George Marshall, Secretary of War Henry Stimson and other key administration officials were going to attend.

"At that meeting, President Rocsevelt told us he needed an appropriation of two billion dollars from Congress during the next two years. He said he needed it for a super weapon, but he did not reveal specific details.

"Rocsevelt said the appropriation would have to be kept a secret, because he did not want the Hitler government to know about it. He said the Hitler government was trying to build the same super weapon and if they did, the Germans would win the war overnight, no matter what we did on the battlefield. He said no matter how many victories we won, we'd lose the war if the Hitler government got the super weapon first.

"Naturally, we got Congress to appropriate the money. It was supposed to be funds for airplanes, ships and other war materials. But, with the White House's permission, we had to let members of the Subcommittee on Appropriations in on the secret.

"I remember that every night before I went to sleep I would say a prayer. I would pray to God that we got the super weapon first. Later, the atomic bomb was dropped, and the war ended. President Roosevelt told me we would lose a million men when we invaded Japan. The atomic bomb saved their lives. The weapons we have nowadays are much more powerful. They must never be used."

For fourteen months, after the assassination of John F. Kennedy, McCormack was the heir apparent to that Presidency in the event of the death of Lyndon B. Johnson. "Every night I said a prayer for Lyndon," he disclosed. "I prayed he would remain in good health, and that he would remain fit to perform the duties of President"

He paused for a moment, pondered what he had said, and then, with a trace of pride, added "I never wanted to be President, you know. My life was in the U.S. House of Representatives. I was a legislator. That was the life I loved."

CONGRESS SHOULD GO BACK TO LAST DECEMBER'S SOCIAL SECURITY BILL, AND DO IT RIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, last December the Congress enacted a major social security financing bill in response to the loss of revenue caused by the recent recession and to projections that raised the threat of imminent exhaustion of our social security trust fund accounts. The bill will raise payroll taxes for both employers and employees by a cumulative sum estimated as $185 billion in the 8 years 1979 through 1986. It also effects reductions in benefit levels estimated to cumulate to $25 billion by 1986.

The social security bill subjects the economy to excessive and needless fiscal bludgeoning. All of the three proposals that led up to its adoption would have been sharply restrictive, and the final bill was worse than any of the alternatives. The President's initial proposal would have had a net deflationary budget impact of $37 billion in 1986. The impact of the House and Senate passed versions would have been $40 and $42 billion respectively. However, the version that emerged from conference and was eventually signed into law adopted higher tax rates, and larger benefit reductions, than any of the other proposals and will take a massive $47 billion out of the economy

in 1986. The staff of the Joint Economic Committee estimates that, unless offset by other policies, this bill will lower real GNP by about $60 billion in 1986 and it will raise the unemployment rate by close to 3 percent.

Although President Carter hailed passage of the bill as an outstanding legislative accomplishment, he could hardly have been thrilled that his two innovative proposals—to infuse general revenue into social security during times of high unemployment and to tax employers more heavily than employees—were both rejected by the Congress.

In my opinion, this legislation, which follows the traditional pattern of financing social security by means of payroll taxes split evenly between employers and employees, is an unmitigated disaster; I fail to see how anyone can be pleased with it.

As a result of this bill workers will be burdened with far higher regressive payroll taxes. Employers will have to pay higher payroll taxes that will raise labor costs, force them to raise prices, and cause them to lose sales and thus force them to curtail production and employment. Economists are appalled that Congress has learned so little that it would choose to raise taxes when unemployment is still above 6 percent. And those economists who have made special studies of payroll taxation view the new legislation as a serious threat to growth and price stability for the indefinite future.

I hope my fellow Members of Congress are as nervous about what we have done as I am. I am somewhat relieved that for the first time in the history of social security legislation we appear to appreciate the need to compensate for the adverse economic effects of the measure by granting tax relief elsewhere. In addition, the final bill wisely added no new taxes until 1979 in recognition of the circumstance that the recovery from the recession remains fragile and incomplete. What is missing is recognition that a reduction in income taxes does not fully offset the economic harm done by an equivalent increase in payroll taxes, and that such a policy of payroll tax offset by means of income tax reduction therefore amounts to a sort of "Gresham's Law" of taxation in which bad taxes are steadily replacing good taxes.

Why are payroll taxes so harmful?

The part paid by employees is a proportional tax on wages up to a maximum taxable base. Labor income in excess of the base is not taxed at all, nor is nonlabor income such as rents, royalties, interest, and dividends. The social security tax is therefore a highly regressive and unfair form of taxation.

To raise these taxes while lowering the progressive income tax causes the net progressivity of our overall tax system to be reduced. Those who approve of this sort of assault on the tax system argue that the adverse equity effects are illusory because higher social security contributions will also lead to higher benefits. But this is cold comfort for the low-income worker who pays the heavy taxes and has to wait 20 years or more before retirement permits the inequities he has suffered to be corrected.

Raising the employer portion of the social security tax has very adverse economic consequences. Although the initial impact of an increase in the employer's contribution may be to reduce profits, ultimately the tax increase is either shifted backward and reflected in a slower rate of wage increase or it is shifted forward and reflected in higher prices.

In the former case the tax increase simply acts as a regressive form of income tax. In the latter case—which many economists feel to be the more likely—the increased labor cost will be passed forward into higher prices. Because this reduces consumer real income, real consumer outlays will decline and production and employment will therefore fall. In addition, the higher prices will lower the real quantity of money so that unless the Fed steps up the rate of nominal monetary growth—which it is unlikely to do in the face of more inflation—interest rates will rise. This will curtail expenditures on home construction and slow the growth of capital spending as well. These developments, of course, will further reduce production and employment.

Simulation studies conducted by the Senate Budget Committee and the Joint Economic Committee staffs show that a fully forward shifted employer payroll tax increase may reduce employment by twice as much as an equivalent yield increase in income tax, and the payroll tax will cause the rate of inflation to be relatively higher as well. In view of this, a more destructive way to combat stagflation than the raising of payroll taxes can scarcely be imagined.

The Gresham's law of taxation to which I referred earlier has been underway for many years. In 1960 contributions for social insurance came to 18.3 percent of total Federal revenue. By 1965 they had risen to 20 percent, by 1970 to 26 percent, and by 1976 to 32 percent. According to current forecasts social insurance taxes will rise to 33 percent of Federal revenue in 1979. Therefore, whereas social insurance taxes were less than one-fifth of Federal revenue in 1960, they will amount to one-third or more less than 20 years later. Meanwhile, the share of personal income taxes has remained roughly constant at about 45 percent, while the share of corporate income taxes has dropped sharply from 22 percent in 1960 to 17 percent in 1976.

Even if there were no net harm done by replacing income taxes by payroll taxes, it is simply silly for Congress to go through the painful process of producing a social security financing bill only to have to go through another arduous legislative round to undo the economic damage. It is time to stop this time-consuming charade and recognize that the only sensible approach to the financing of social insurance is through resort to the general fund of the Treasury. This would open the full financial resources of the Government to social security and unemployment compensation and would enable us to stop raising economically harmful payroll taxes. Perhaps most important, the borrowing power of the Treasury would be available so that resort to the general fund would permit us to avoid raising taxes during periods of economic slack when tax increases of any sort are harmful.

Those who oppose this approach claim that general fund assistance would be viewed as converting social security into a "welfare" program and that such a step would therefore be opposed by the elderly who feel they have earned their retirement benefits. It is, however, noteworthy that both the American Association of Retired Persons and the National Council of Senior Citizens have told the staff of the JEC that they do not subscribe to this view. Indeed, these organizations have expressed their fear that continued increases in the payroll tax will create resentment on the part of today's workers, a resentment that could provoke a taxpayers' revolt and rupture the intergenerational income transfer process that is effected by the social security program. These groups know that today's retired person is supported by the taxes paid by today's workers, just as his taxes previously paid for the benefits of persons who retired while he was still working.

The most serious obstacle to the use of general fund assistance comes from Congress' lack of faith in itself. If the general fund spigot is turned on, runs the argument, we will find it too tempting to raise benefits in election years. The truth is that Congress has shown little sign of embarking on spending binges since the inception of the congressional budget process in fiscal year 1976, and that, if anything, our fiscal policies have been conservative.

Further, the exceedingly heavy and rising cost of social security will surely make us very leary of any election year benefit increases. At all events, the safest way to avoid this problem is to adopt the President's proposal to trigger general fund infusion automatically by linking them to the unemployment rate. That way Congress would still have to find additional funds if it chooses to change benefit levels.

The social security system is already more heavily dependent on general revenues than some Members of Congress care to admit. The unshifted part of the employer's tax is a business cost which reduces profits and the business income tax liabilities of firms. Also, the earned income credit was passed in 1974 with the understanding that its purpose was to rebate the social security taxes paid by low-income workers. Finally, several of the recent proposals considered by Congress involved the use of general fund assistance. Specifically:

The administration proposed that between 1978 and 1980 funds be transferred from the general fund to social security when the unemployment rate exceeds 7 percent.

The House relied on equal payroll tax increases for both employee and employers. In order to maintain this parity

of employer and employee contributions and still generate sufficient revenue during recessions, the bill would have authorized Social Security to borrow general revenues if the assets of the social security trust funds drop below 25 percent of the preceding year's benefits.

The Senate bill adopted the President's proposal to raise the wage base for employers above that for employees. This measure was supported by the Finance Committee because no additional pension entitlements would be created, and also because it was thought that employers could deduct these higher payroll taxes from their taxable business income.

The realization by nonprofit institutions and State and local governments that they would not be able to charge a fraction of higher social security taxes against business income taxes produced complaints that prompted Senator DANFORTH to introduce two amendments to the Senate bill. The first amendment provided State and local government and nonprofit institutions with a 10-percent reduction in their social security tax liabilities. The second amendment provided that the revenue losses that result from the first amendment would be made up by transfers from the general fund. Ironically, from 1979 through 1986 the Senate bill would have transferred $13.5 billion of general revenues, about the same amount as proposed by the administration and previously rejected by the Senate.

I am led to the conclusion that we are only deceiving ourselves if we think we can preserve the fiction that social security is and should be financed from strictly earmarked payroll taxes. The payroll tax issue will not go away. The unemployment insurance system is currently in a financial shambles, and Congress will have to deal with that problem before long. Furthermore, a serious slowdown in the economy or unexpectedly adverse demographic or productivity trends would put social security right back into financial difficulty.

Because of the long-term demographic shift toward an older population, increased per capita contributions by the working population are necessary to support the retired. But further payroll tax rate and base increases will bring in relatively fewer dollars from relatively fewer, and increasingly burdened, employers and employees. Resorting to general revenues will be essential if our tax system is not to become oppressively inequitable and harmful to economic growth and price stability.

The payroll tax alternative is bound to become less and less acceptable to the present generation of workers. As James N. Morgan, an expert on social security, has said:

Simply raising payroll taxes on current workers will surely create a cumulative and massive problem for the future. When those generations get to retirement age they can appropriately ask why, since they paid much higher payroll taxes, they don't get proportionately higher benefits. We could postpone the showdown a while by raising payroll taxes again, but the problem would recur with the next generation.

Congress is kidding itself if it thinks it has solved the social security problem. It is time for a change. I suggest we undo the damage we have done by repealing the 1977 social security bill except for its decoupling provisions. Let us go back to the drawing board for a sensible solution. It is not as if there were none in sight.

H.R. 9718—CONSUMER REPRESENTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, on January 31, 1978, the chairman and three members of the Consumer Protection and Finance Subcommittee of the Interstate and Foreign Commerce Committee circulated a "Dear Colleague" letter in support of H.R. 9718, the Consumer Protection Representation and Reorganization Act.

Because some of my colleagues may not have seen this letter, I am inserting it in the RECORD at this point.

SUBCOMMITTEE ON CONSUMER PROTECTION AND FINANCE, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C., January 31, 1978.

DEAR COLLEAGUE: As members of the Consumer Protection Subcommittee we have a special interest in legislation to create an Office of Consumer Representation. Since our Subcommittee has legislative and oversight jurisdiction over independent regulatory agencies, we have had an opportunity to observe how important it is that consumers be actively represented during the agency decision-making process.

Agency commissioners, administrators, and administrative law judges make daily decisions affecting the lives of consumers. These decisions are made after the agency holds informal and adjudicatory hearings designed to give interested consumers and businesses and opportunity to be heard on the proposed agency action. Unfortunately, all too often the consumer goes unrepresented in these hearings. This means that the decision maker is denied the benefit of hearing vigorous debate on the issue by representatives of both sides. As a consequence, the quality of the agency's decision suffers and the public loses.

Data compiled by the Senate Governmental Affairs Committee show how one-sided participation in agency rulemaking is now. According to the Committee's report "Public Participation in Federal Regulatory Agency Proceedings":

"At the FTC there were 843 industry submissions vs. 130 consumer group submissions for a trade regulation rule on the hearing aid industry.

"In an FTC proceeding on warranty terms, there were 346 industry submissions and 77 trade association submissions vs. 21 consumer group submissions.

"In the FTC proceeding on care labeling of textile products there were 172 industry submissions vs. 60 public interest group submissions."

The Office of Consumer Representation would correct this problem by serving as a legal advocate for the consumer viewpoint before the other agencies. The regulatory agencies will still be the ultimate decision-makers, but OCR will assure that the consumer viewpoint will be adequately represented. This means there will be a more balanced hearing record and ultimately more balanced agency decisions.

We urge you to vote for H.R. 9718 as a sensible step toward increasing consumer representation in the federal regulatory process.

Sincerely,

BOB ECKHARDT,
Chairman,
RALPH H. METCALFE,
CHARLES J. CARNEY,
JAMES H. SCHEUER.

LEGISLATION TO CREATE CENTRAL LIQUIDITY FACILITY ADMINISTERED BY NATIONAL CREDIT UNION ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 30 minutes.

Mr. ST GERMAIN. Mr. Speaker, today I am joining with my colleague, HENRY S. REUSS, chairman of the House Committee on Banking, Finance and Urban Affairs, in the introduction of legislation to create a central liquidity facility (CLF) administered by the National Credit Union Administration.

For nearly five decades the credit union movement in the United States has attempted to create effective vehicles to meet its various liquidity requirements. Central liquidity legislation of one kind or another has been introduced in each of the last 20 Congresses. The more recent efforts were a result of our beloved and distinguished former colleague, Chairman Wright Patman. These bills all failed, principally because the credit union movement and its regulatory agencies could not agree upon the specific structure and functions of such a CLF.

This legislation addresses the problems of the past and is a result of many months of discussion, study, and drafting by all elements of the credit union community. The National Credit Union Administration, the National Association of Federal Credit Unions, the Credit Union National Association have worked very closely in the drafting of this legislation and are in agreement with the purpose, operation, and control of the CLF proposed by this legislation. This break from the past periods of disagreement and lack of unanimity in the credit union community is most heartening. A CLF for credit unions is no longer a luxury; it is an absolute necessity.

With the near unanimous passage of Public Law 95–22, credit unions were granted broad new lending authorities. These new powers, such as long-term mortgage lending, self-replenishing lines of credit, removal of the secured and unsecured loan limits, a broad grant of leeway investment authority, and certificates of deposit at various rates and terms, can potentially impair the liquidity needs of credit unions. In our actions earlier in this Congress, credit unions were provided with the ability to enhance their services to their ever-increasing membership, and, therefore, provide the financial consumers of this country with greater saving and lending alternatives. We believe the CLF will enable credit unions to offer their new

services and at the same time insure that these new powers will enhance and not detract from the basic financial services currently provided by credit unions.

The traditional sources of external liquidity for credit unions have been commercial banks, central credit unions, and other credit unions. In many cases, the reliability of these sources is easily threatened, as was the case during the more recent credit crunch periods when competition for funds was intense. At such times, commercial banks, credit unions, and all other financial institutions suffer the same liquidity pressures. In the past, the existing system of corporate credit unions has served the credit union industry well. These corporate credit unions, while relatively new to the movement, have, in most instances, been able to provide the necessary liquidity through their local, regional, and national network.

However, corporate central credit unions are vulnerable to seasonal fluctuations in share and loan demands, as are other credit unions. When money is tight, credit unions are forced to call their loans to centrals or withdraw their share investments. Large deposits at centrals tend to be "hot money," moving elsewhere when most needed by other credit unions. Compounding this vulnerability to seasonal fluctuations in share and loan demands and liquidity needs are the new powers which this Congress granted to Federal credit unions. If corporate central credit unions are to continue to provide the excellent service they have in the past, they must no longer be subject to seasonal or short-term credit adjustments or to protracted adjustments in the event of unusual or emergency circumstances.

The CLF, as proposed by this legislation, would offer credit unions a reliable source of liquidity, which will greatly enhance the existing system of corporate central credit unions. If the existing system of corporate central credit unions fail to supply the capital needed at reasonable rates, credit unions will be able to call upon the CLF for its needs. The CLF would have at its disposal a broad spectrum of approaches—short- and long-term advances, discounting of notes, national interlending, and most importantly, the open market. The mere existence of a CLF as an alternative source of liquidity will greatly enhance the credit unions' bargaining position in dealing with local money sources. If the local institutions are unable or unwilling to accommodate the credit union at reasonable rates, credit unions will then be able to turn to a greatly enhanced system of corporate centrals for the necessary funds. All U.S. financial institutions, except credit unions, have liquidity sources available to them, and the knowledge of these liquidity sources often impells local institutions to provide maximum accommodation.

Most importantly, it is not the intention of this legislation to create a new Federal network requiring a huge bureaucracy, overwhelming amounts of paperwork, and great sums of tax dollars. Quite to the contrary, the CLF as proposed by Chairman REUSS and myself, will, among other things, recognize and utilize the existing private system of Federal and State corporate central credit unions as the operational agents of the CLF. By utilizing this private system, the CLF will avoid costly duplication and will greatly enhance the availability of a reliable and stable source of liquidity for all of its members.

Credit unions are an integral element of our financial system. Their growth and service were certainly recognized in the passage of Public Law 95–22. We must not allow the new powers, which can and will impair liquidity, to alter the excellent services credit unions have provided in the past. We must provide credit unions with a central liquidity facility. For many years, credit union competitors have had such sources of liquidity administered by the Federal Reserve Board and the Federal Home Loan Bank Board. I urge all of my colleagues to join with Chairman REUSS and myself in the introduction, support, and passage of a central liquidity facility administered by the National Credit Union Administration.

A copy of the bill, as well as a section-by-section analysis, are attached for inclusion in the RECORD.

NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY ACT

SECTION-BY-SECTION ANALYSIS

Section 101—Amends the Federal Credit Union Act to add a new subchapter providing for a Central Liquidity Facility (CLF).

Section 301—States principal purpose of CLF is to improve financial stability by meeting credit union liquidity needs.

Section 302—Defines scope of credit union "liquidity needs" which include emergency, seasonal, and protracted needs for credit assistance.

Section 303—Establishes a Central Liquidity Facility within NCUA and under NCUA management.

Section 304—Sets forth requirements for CLF membership. Credit Unions primarily serving natural persons may be Regular members by purchasing CLF stock. Credit unions primarily serving other credit unions may be Agent members by purchasing CLF stock and agreeing to submit to NCUA regulations and supervision, and to perform intermediary functions on behalf of the CLF. The minimum stock purchase for both Regular and Agent members is one-half of one percent of the paid-in capital and surplus of the credit union itself or the credit unions it serves.

Section 305—Provides the CLF authority to issue capital stock and requires that at least one-half of the stock a credit union subscribes to, in order to become a CLF member, must be paid for at the time of membership. The remainder may be held in call by the member and must be invested in assets acceptable to NCUA.

Section 306—Authorizes a member credit union to apply to the CLF for extensions of credit to meet its liquidity needs, and enables the CLF to extend the needed credit on whatever terms and conditions are appropriate. The Treasury Department is also authorized to lend to the CLF up to $500 million if the CLF does not have sufficient funds to meet the credit union liquidity needs.

Section 307—Authorizes the NCUA Administrator, on behalf of the CLF, to manage the CLF, to promulgate regulations needed to operate the CLF, and to borrow from outside sources with or without a U.S. Government guarantee so long as U.S. guaranteed borrowings do not exceed 20 times the subscribed capital stock and surplus of the CLF. The Administrator may also borrow up to $500 thousand from the NCUA Share Insurance Fund to cover CLF start-up expenses and is authorized to represent the CLF in court, hire additional staff, and enter into contracts.

Section 308—Authorizes the GAO to conduct full and unrestricted audits of the CLF.

Section 309—Mandates that an annual review of CLF activities be made a part of the NCUA annual report.

Section 102—Provides for conforming amendments enabling Federal credit unions to purchase CLF stock and to borrow freely from the CLF.

Section 103—Amends 18 U.S.C. 709, to reserve names and initials relating to the "National Credit Union Administration," the "Central Liquidity Facility," and the "Share Insurance Fund," for exclusive use of NCUA, in order to minimize the possibility of fraudulent use of the names and initials.

AMTRAK'S FINE TRAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, needless to say, recent emergencies caused by severe winter storms have made all of us aware of travel difficulties. It is my sincere feeling the necessity for having adequate rail passenger service has been reemphasized.

I would like to call to the attention of my colleagues the article "Amtrak's Fine Train" in the Martinsburg Journal, Martinsburg, W. Va., of January 21, 1978, by Paul B. Martin, editor. I have known him for over 30 years, and Mr. Martin runs one of the finest newspapers in West Virginia. I do respect his judgment.

The article praises the service and convenience of Amtrak's "Shenandoah," which serves passengers between Washington, D.C., and Cincinnati, Ohio. The editorial is representative of numerous comments I have heard about this service.

"Buck" Martin's firsthand experience is great evidence, I believe, that passenger service on Amtrak does seem to be improving across the Nation. I feel that the preservation of rail service must continue to be essential as part of our national transportation system. The editorial follows:

[From the Martinsburg (W. Va.) Journal, Jan. 21, 1978]

AMTRAK'S FINE TRAIN

A couple of weeks ago we had some comments to make about Amtrak and our personal problems in arranging for a ticket to travel from Martinsburg to Cincinnati and back.

Well, we finally got our ticket and took our ride and we think Amtrak is deserving of a considerable amount of praise for the way The Shenandoah, the train from Washington to Cincinnati and back, is operated.

It has only two cars plus locomotive but the cars are comfortable, with reclining seats. The cars are also clean, the personnel is friendly and courteous and helpful and riding on the rails is easy. The train also runs

on time. There are clean restrooms and even special dressing rooms. One car is reserved for non-smokers and the other for smokers, so everyone should be happy. There is also a cafe which serves sandwiches, breakfasts and all types of drinks (alcoholic and non-alcoholic).

The trip from Martinsburg to Cincinnati takes 13 hours. The round trip fare is only $48, much cheaper than driving an automobile or flying in an airplane. Perhaps the nicest part of the trip, particularly in midwinter, is that all you have to do is get to the station, board the train and sit back and relax, without a worry in the world concerning the weather. In fact, coming back from Cincinnati we were joined by some folks whose commercial plane had been grounded by weather.

We congratulate Amtrak on its fine train, The Shenandoah, and recommend it highly to anyone looking for convenient and comfortable and economic means of travel.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

Mr. NEAL. Mr. Speaker, I call to the attention of my colleagues three communications from the Export-Import Bank which have been referred to me as chairman of the Banking Subcommittee on International Trade, Investment, and Monetary Policy. The communications notify the Congress of three proposed Eximbank transactions to assist in the construction and operation of nuclear powerplants in the Republic of China, Brazil, and Spain.

Section 2(b)(3)(iii) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees for nuclear-related exports at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress dictates otherwise.

In the first transaction, the Bank proposes to extend an additional loan of $23,400,000 to Brazil's electric power company to assist in the purchase of U.S. goods and services to be used in modification and completion of that country's first nuclear powerplant. Eximbank has previously made loans and guarantees totaling $163,920,000 in conjunction with this project. The new credit proposed by Eximbank will cover 60 percent of the total cost of additional U.S. goods and services for the project. The loan will bear interest at the rate of 8¾ percent per annum and will be repayable over a 12-year period commencing June 30, 1979.

In the second transaction, the Bank proposes to extend a loan of $106,800,000 to the Republic of China's power company to assist in the purchase of U.S. uranium ore and its conversion, enrichment, and fabrication for use as fuel cores in the fifth and sixth nuclear powerplants built on Taiwan. Eximbank previously made loans and guarantees totaling $297,000,000 in conjunction with the financing of these two nuclear powerplants. The new credit proposed by Eximbank will cover 75 percent of the total cost of additional U.S. goods and services for the project. The loan will bear interest at the rate of 8¼ percent per annum and will be repayable over a 4-year period commencing October 31, 1984.

In the third transaction, the Bank proposes to extend a loan of $17,470,050 to finance the increased U.S. costs being incurred by Spain's electric utility companies in the construction of a nuclear powerplant. Eximbank previously authorized financial support totaling $114,412,200 in conjunction with the financing of the nuclear powerplant. The new credit proposed by Eximbank will cover 85 percent of the total costs of additional U.S. goods and services for the project. The loan will bear interest at the rate of 8¾ percent per annum and will be repayable over a 3-year period commencing July 10, 1981.

I am inserting the letters from the Eximbank pertaining to these transactions at this point in the RECORD and I welcome any comments any of my colleagues may wish to offer concerning these proposed loans:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., January 19, 1978.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction:

A. DESCRIPTION OF TRANSACTION

1. Background and purposes

In late 1971, Eximbank authorized financial assistance of $138 million in the form of a credit of $69 million and a guarantee of commercial loans in an equal amount to Furnas Centrais Eletricas S.A. (FURNAS) to facilitate financing the U.S. costs for the Angra dos Reis Nuclear Power Plant, Brazil's first nuclear power plant, located on the coast between Rio de Janeiro and Sao Paulo. In May 1975, Eximbank increased the amount of its direct loan by $17.28 million and provided an additional guarantee of private bank loans of $8.64 million, for total Eximbank support of $163.92 million for this project. FURNAS has requested and Eximbank is prepared to provide an additional direct credit of $23.4 million.

FURNAS requires the additional financing for two primary reasons. First, in furtherance of the Government of Brazil's policy generally to conform to nuclear power plant guidelines reommended by the U.S. Nuclear Regulatory Commission (NRC), FURNAS has agreed to have its principal supplier, Westinghouse, revise its equipment supply and engineering services contract to allow for implementation of the latest NRC-recommended technical design criteria and safety standards. This policy is requiring ongoing reexamination and modification of the original designs of major plant components, together with the acquisition of additional plant-related equipment at a U.S. cost of approximately $16.0 million. These additional cost factors are common in current nuclear power plant projects as design technology of these plants continues to evolve. The equipment needed pursuant to plant modification includes components for upgraded piping systems, additional reactor components, a reactivity computer, additional controls, radiation protection equipment, laboratory equipment, security equipment and upgraded components included in many of the plant systems.

Second, FURNAS has requested Westinghouse to assume additional responsibilities in managing the project and coordinating the construction of the plant. FURNAS itself had performed this role but has now assigned it to Westinghouse, its major equipment and service contractor. These additional services will be performed by Westinghouse at a cost of approximately $14.2 million

In addition, FURNAS needs $5.0 million for the purchase of additional spare parts, $1.1 million for additional construction inspection services and $2.7 million to cover price escalation of equipment.

Eximbank considers the reasons for and the amount of the increased U.S. costs to be reasonable and necessary to complete this plant which is now scheduled for 1979.

2. Executive branch approval

In accordance with established procedures, Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. State's Bureau of Oceans and International Environmental and Scientific Affairs advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction. According to State, on the basis of its review of the proposed loan, it was decided that "U.S. non-proliferation objectives would best be served by our continued cooperation with Brazil on the Angra I project" and therefore the Executive Branch "recommended to the Nuclear Regulatory Commission that the export license for the initial fuel core of Angra I be issued." State noted further that "these decisions are consistent with and reinforce our stated policy of seeking more stringent safeguards for nuclear energy without impairing the significant contribution nuclear projects such as Angra I will make toward meeting the urgent and legitimate energy needs of Brazil as well as other countries."

3. Identity of the parties

FURNAS is the largest subsidiary of Eletrobras, which is the Federal Government of Brazil's electric power holding company. Since 1973 FURNAS has held the status of a regional power company responsible for the supply of power to Brazil's southeastern region and for the construction of all power developments and high voltage transmission systems of regional interest. FURNAS sells its power under long-term contracts to private and government-owned utilities.

The Federative Republic of Brazil will issue to Eximbank an unconditional guarantee for repayment of the Eximbank direct credit.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $23.4 million will facilitate the export of $39 million of U.S. goods and services. Eximbank perceives no adverse impact on the U.S. economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. Westinghouse has advised Eximbank that this sale will result in 2,984,000 manhours, which is equivalent to 1,435 man-years directly created. The majority of equipment and services will be supplied from Philadelphia, Pittsburgh and New York where the unemployment rates in September, 1977 were 6.9%, 6.1% and 8.5%, respectively. None of the goods to be exported are in short supply in the United States.

2. The financing plan

The total cost of United States goods and services to be purchased by FURNAS is $39 million which will be financed as follows:

	Amount	Percent of U.S. costs
Cash	$5,850,000	15
Eximbank credit	23,400,000	60
Private loans not guaranteed by Eximbank	9,750,000	25
Total	39,000,000	100

(a) Eximbank Charges.—The Eximbank Credit will bear interest at 8¾% per annum, payable semiannually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) The Eximbank credit and private loans, which total $33,150,000, will be repaid by the borrower in 24 semiannual installments beginning on June 30, 1979. Under this schedule, the first 7 installments and a portion of the 8th installment will be applied to repayment of the private loans and a portion of the 8th and all of the last 16 installments will be applied to repayment of the Eximbank direct credit.

Sincerely,

JOHN L. MOORE,
President and Chairman.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., January 31, 1978.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to the Republic of China.

A. DESCRIPTION OF TRANSACTION

1. Background and purpose

In mid-1974, Eximbank authorized financial assistance of $297 million in the form of a direct credit of $198 million and a guarantee of commercial loans in the amount of $198 million and a guarantee of commercial loans in the amount of $99 million to Taiwan Power Company (Taipower) to facilitate financing the U.S. costs of equipment, materials and services for the Maanshan Nuclear Power Plants No. 1 and No. 2 on the island of Taiwan. These plants were the fifth and sixth nuclear power projects in Taiwan. At the time no financial assistance was requested for the initial fuel core.

Taipower now requests financial assistance for the purchase in the United States of the initial fuel cores for the two Maanshan Power Plants and Eximbank is prepared to extend a direct credit of $106.8 million to Taipower for financing the purchase and export of uranium ore and its conversion, enrichment and fabrication for the initial fuel cores. Westinghouse Electric Corporation will be responsible for yellow-cake procurement and coordination of conversion and enrichment services, and will provide the fabrication services. The U.S. Department of Energy will provide the enrichment services. The total cost of the uranium and services is estimated to be $194 million which will be provided by the Eximbank direct credit, $48.5 million in private loans unguaranteed by Eximbank and a cash payment of $38.8 million.

2. Identity of the parties

Taipower, organized in 1946, is a corporation 95% owned by the Republic of China and its political subdivisions. It has the sole responsibility for the supply of electricity throughout the island of Taiwan. Taipower is one of the largest users of Eximbank's programs for its U.S. purchases and has maintained an excellent credit relationship with Eximbank.

The Ministry of Finance of the Republic of China will issue to Eximbank an unconditional, full faith and credit guarantee for repayment of the Eximbank direct credit.

3. Executive branch approval

In accordance with established procedures, Eximbank has requested through the Department of State the views of the Executive Branch on the proposed transaction. The Department of State's Bureau of Oceans and International Environment and Scientific Affairs has no objection to Eximbank's proceeding with this transaction. The Department of Energy advises that there is no actual or potential shortage of uranium ore in the United States; the enrichment services are covered by an existing contract with that Department; and there is more than sufficient capacity available for the fuel fabrication by U.S. firms.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $106.8 million will facilitate the export of $194 million of U.S. goods and services.

Eximbank perceives no adverse impact on the U.S. economy of these exports. This transaction will have a favorable impact on employment for substantial numbers of U.S. workers, as well as on the United States balance of trade. Westinghouse has advised Eximbank that its part of the transaction will result in 1,393 man-years of jobs created. The bulk of the Westinghouse work will be supplied from Pittsburgh, Pennsylvania and Columbia, South Carolina, which had unemployment rates of 6.9 and 4.7 percent respectively as of June 30, 1977. None of the goods or services to be exported are in short supply in the United States. While no actual foreign competition has been cited for this transaction, yellow-cake is available in South Africa, Canada and Australia; some enrichment facilities are available in Europe; and fabrication capabilities exist in many of the industrial nations.

2. The Financing plan

The total cost of United States goods and services for the initial fuel cores is $194,126,000, which will be financed as follows:

	Amount	Percent of U.S. costs
Cash	$38,825,200	20.0
Eximbank credit	106,769,300	55.0
Private loans not guaranteed by Eximbank	48,531,500	25.0
Total	194,126,000	100.0

(a) Eximbank charges.—The Eximbank direct credit will bear interest at the rate of 8.25 percent per annum, payable semiannually. A commitment fee of 0.5 percent per annum also will be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms.—The Eximbank direct credit and private loans, which total $155,300,800, will be repaid by the Borrowers in 6 semiannual installments (i) beginning October 31, 1984 for disbursements for the Maanshan No. 1 plant; and (ii) beginning July 31, 1985 for disbursements for the Maanshan No. 2 plant. Under the first repayment schedule, the first 3 installments will be applied to repay related disbursements under the private loans; and all the last 3 installments will be applied to repay related disbursements under the Eximbank direct credit. Under the second repayment schedule a portion of the first installment will be applied to repay related disbursements under the private loans and the balance of this schedule will be applied to repay related disbursements under the Eximbank direct credit.

Sincerely,

JOHN L. MOORE,
President and Chairman.

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., February 1, 1978.

The SPEAKER OF THE HOUSE OF
REPRESENTATIVES,
The Speaker's Room, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Spain.

A. DESCRIPTION OF TRANSACTION

1. Background and purpose

In April, 1973, Eximbank authorized financial support in the form of a direct loan of $49,033,800, a guarante of private bank loans of $49,033,800 and a local cost guarantee of offshore loans of $16,344,600 to four Spanish electric utilities—Fuerzas Electricas de Cataluna, S.A. (FECSA), Empresa Nacional Hidroelectrica del Ribagorzana, S.A. (ENHER), Hidroelectrica de Cataluna, S.A. (HEC) and Hidroelectrica del Segre, S.A. (SEGRE) (Borrowers) for the ASCO II nuclear power plant, located on the Ebro River in the Province of Tarragona, 135 KM West of Barcelona. This plant is the companion plant to the contiguous ASCO I nuclear plant. The Borrowers have requested, and Eximbank is prepared to provide, an additional direct loan of $17,470,050 to finance the increased U.S. costs being incurred by the Borrowers for the ASCO II project.

The Borrowers require the additional financing primarily for two reasons. First, to conform to nuclear power plant guidelines recommended by the U.S. Nuclear Regulatory Commission (NRC), the Borrowers have agreed to have their principal supplier, Westinghouse, upgrade its equipment supply and safeguard systems to permit implementation of the latest NRC-recommended technical design criteria and safety standards.

Second, Westinghouse is to provide additional engineering and project coordination services. In addition, the costs for fuel fabrication to be provided by Westinghouse and fuel enrichment to be undertaken by the U.S. Department of Energy have increased.

These increased costs, which are associated with evolving nuclear power plant technology and which were not included in the original design of the project, are common in current nuclear power projects. Eximbank considers the reasons for and the amount of the increased U.S. costs to be reasonable and necessary to complete construction of this project.

In connection with a two-year delay in the projected start of commercial operations of the ASCO II plant, commercial banks will provide loans of $20,965,000 to refinance the first four semiannual installments of the existing private financing for U.S. costs of the project. Since the installments to be refinanced are currently guaranteed by Eximbank, Eximbank's guarantee will apply to such new loans.

2. Approvals of other Government agencies

In accordance with established procedures, Eximbank requested through the State Department the views of the Executive Branch on the proposed transaction. State's Bureau of Oceans and International Environmental and Scientific Affairs advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction. According to State, the Government of Spain has agreed to open discussions with the United States on amending its present nuclear agreement for cooperation to make it

consistent with new agreements under the pending U.S. non-proliferation legislation. However, the present agreement meets all of the "intial criteria contained in such legislation," and hence, "the Executive Branch believes that the Eximbank financing proposed . . . would be fully consistent with and supportive of U.S. non-proliferation objectives."

3. Identity of the parties

FECSA, a privately-owned company established in 1951 and headquartered in Barcelona, is Spain's third largest electric utility. It participates in the ownership of and financing for the project to the extent of 40 percent.

ENHER, incorporated in 1946, is a "national enterprise" corporation controlled by Instituto Nacional de Industria, an autonomous agency of the Spanish State established in 1941 to promote the establishment and reorganization of industrial enterprises important to the economic development of Spain. ENHER is the sixth largest electric utility enterprise in Spain and is a 40 percent participant in ASCO II.

HEC was incorporated in 1946 and is the twelfth largest electric utility in Spain. It is privately owned and is a 15 percent participant in the project.

SEGRE, a closely held private company, is the twenty-first largest electric utility in Spain and is a 5 percent participant in ASCO II.

4. Nature and use of goods and services

The principal goods and services to be exported from the United States in connection with the increased U.S. costs are design services, start-up assistance, project site coordination and inspection services to be provided by the Bechtel Corporation, and a matrix fuel assembly core and turbine generator equipment to be supplied by Westinghouse.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension by Eximbank of a $17,470,050 direct credit will facilitate $20,553,000 of additional exports in the form of U.S. goods and services and higher prices for previously-contracted items.

Eximbank perceives no adverse impact on the U.S. economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of U.S. workers, as well as on the U.S. balance of trade. None of the goods to be exported are in short supply in the U.S.

2. The financing plan

The total cost of additional United States goods and services to be purchased by the Borrower is approximately $20,553,000, which will be financed as follows:

	Amount	Percent of U.S. Costs
Cash	$3,082,950	15
Eximbank credit	17,470,050	85
Total	20,553,000	100

(a) Eximbank Charges.—The Eximbank credit will bear interest at the rate of 8¾% per annum, payable semiannually on outstanding balances. A commitment fee of ½ of 1% per annum also will be charged on the undisbursed portion of the Eximbank credit.

Eximbank will charge a guarantee fee of 1% per annum on disbursed amounts of the new refinancing commercial bank loan and a commitment fee of ⅛ of 1% on the undisbursed amounts of such loan.

(b) Repayment Terms.—The portion of the Eximbank credit for additional plant costs will be repaid by the Borrowers in 20 semiannual installments commencing on July 10, 1981.

The portion of the Eximbank credit for additional fuel costs will be repaid by the Borrowers in 6 semiannual installments commencing on July 10, 1981.

Sincerely,

JOHN L. MOORE, Jr.

H.R. 9718, LEGISLATION TO CREATE AN OFFICE OF CONSUMER REPRESENTATION HAS SUPPORT OF BUSINESS EXECUTIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

Mr. PREYER. Mr. Speaker, below is the text of a letter that I recently received from the National Coalition for the Consumer. This letter not only points out some of the benefits of this legislation and clears up some of the misunderstanding surrounding it, but also points out the fact that a number of businessmen and corporations also support the legislation. I include it for the information of my colleagues.

NATIONAL COALITION FOR THE CONSUMER,
Washington, D.C., February 4, 1978.

DEAR MEMBER OF THE HOUSE OF REPRESENTATIVES: Through this letter we want to tell you why a group of concerned business executives support HR 9718, a bill to create an Office of Consumer Representation.

The idea of creating a small office to represent consumers before independent regulatory and executive branch agencies is not a radical idea. Congress has debated it for about eight years. In those eight years Congress has delegated more and more power to unelected regulators to make law. We frankly like the idea of having a small office, consolidated and created from existing programs, with the express job of finding out what consumers are saying and sharing consumer views with federal decision makers.

The deletion of special gathering powers in HR 9718 eliminated fears some business leaders had about being asked questions by the consumer office.

We believe it unreasonable for us to object to a small consumer office having the same rights of judicial review of regulators' decisions as those now enjoyed by companies and trade associations. Indeed, we feel that failure to accord consumers these same rights of representation could erode the confidence and continued vitality of our institutions of government and enterprise. We note with appreciation that the sponsors of HR 9718 have proposed that the consumer office will also represent the consumer interests of small business, many of whom suffer from the same deficiencies of representation before regulators as does the average consumer.

The proposed consumer office won't test products. It won't have authority to set up a vast or regional bureaucracy. It won't issue any regulations over business.

It will be mandated to ferret out conflicting or duplicative regulations that burden business and consumers unnecessarily, and thus will help hold down costs. It will automatically terminate in five years if, in Congress' judgment, it fails to do its primary job of representing consumer interests.

We, the undersigned, represent a larger group of business executives who believe the consumer office is needed to increase consumer confidence and consumer presence in government. (See attached list.) We don't consider ourselves consumer activists, but we wouldn't be responsible business executives if we were blind to consumer needs. H.R. 9718 is in our interest as well as in the interest of your constituents.

We urge your support for H.R. 9718 without weakening amendments.

Sincerely,

John W. Hechinger, Chairman, President, Hechinger Co.; Lawrence S. Phillips, President, Phillips Van Heusen Corp; Paul S. Forbes, Vice President for Communications and Public Affairs, Drug Fair; Avram Goldberg, President, The Stop & Shop Companies; Allen I. Bildner, Vice Chairman, President, Kings Super Markets, Inc.; Peter T. Jones, Senior Vice President and General Counsel, Levi Strauss & Co.; Sylvia Laurenti, Vice President, Consumers and Public Affairs, Consumers United Group, Inc.; Sidney Milwe, President, Stratford Town Fairs.

BUSINESS EXECUTIVES SUPPORTING THE CONSUMER REPRESENTATION & REORGANIZATION ACT (HR 9718)

Allan, Drucker, President, Advanced R & D, Inc.; Charles C. Fitzmorris, Jr., President, Aldi-Benner Co., Chain Store Systems, Ltd.; Bernard Rapoport, Chairman, American Income Life Insurance Co.; Frank S. Day, President, American Sound Corp., Condamatic Co., and Dyna Day Plastics; Emmanuel Sella, President, AMIVEST Corp.; Richard Fields, President, Applikay Textile Process Corp.; Thornton F. Bradshaw, President, Atlantic Richfield Co.; Oscar Dystel, President, Bantam Books, Inc.; and S. Peter Lebowitz, President, Big Smith, Inc.

Walter Lachman, President, Blakes; Walter J. McNerney, President, Blue Cross Association; Jess Bell, President, Bonne Bell; Robert M. Hart, Chairman, Boulder National Bank; Fred Berg, President, Brands Mart; William J. Dooner, President, Cardinal Pictorial Outdoor Advertising; Casper R. Taylor, Jr., President, The Cas Taylors; Edwin Ganson, President, Certron Corporation; and Lester Weisz, President, Chief Auto Supply.

Donald S. Rugoff, President, Cinema V Ltd.; A. P. Cubie, Vice President, Coffee Associated Food Enterprise; Camille Haney, President, Consumer Concepts; Min Takamoto, General Manager, Consumers Cooperative of Palo Alto, Inc.; Leonard Levitt, General Manager, Consumers Cooperative of Berkeley, Inc.; Richard A. Stout, President, Consumers United Insurance Co.; Burton Knopp, President, Country Gal; Henry B. Schacht, Chairman, Cummins Engine Co., Inc.; and Herb Blueweiss, Publisher, Daily News Record.

Howard Stein, Chairman, Dreyfus Corp.; John A. Moran, President, Dyson-Kissner Corp.; Robert Krissel, President, Equitable Bag Co., Inc.; Joseph Warren, President, Executive Life Insurance of New York; Harold Willens, Chairman, Factory Equipment Corp.; Dan Newman, Executive Vice President, Fairchild Publications; Seymour Klanfer, President, Federation of Cooperatives, Inc.; Andrew Bohjalian, Vice President, Feuer Precision Gauges, Inc.; and George F. Borger, President, Fishing Unlimited.

Robert Roess, President, Florida Investors Mortgage Co.; Richard Genser, President, Francis Chevrolet; Eugene Weisberg, President, Frankel Carbon & Ribbon Co.; Robert Craighead, Principal Officer, Gamble Corporate Buying; Frank G. Hickey, Chairman, General Instrument Corp.; Gilbert Bloch, President, Gentech Industries; Joseph Danzansky, Chairman, Giant Food, Inc.; Roy Bryant, President, Greenbelt Consumer Services, Inc.; and Allan Grossman, President, Grossman Paper Co.

Ronald Francioli, President, Group 70; Albert T. Marlowe, President, Hamburgers; Ronald Fox, President, Hang Ten International; Howard Harper, President, Harper Systems; Marshall Gluchow, President, Harris

& Frank, Inc.; Larry Rugg, President, Henhouse Interstate, Inc.; Lawrence Hill, President, Hill Publishing Co.; John C. Moore III, President, Holiday Universal, Inc.; and Gary Griffin, Director, Hydro Med Sciences, Inc.

Jane Silverman, Vice President, IK Information Systems; Charles Pearl, President, Imperial Packaging Corp., Henry P. Glass, Chairman, Industrial Designers' Society of America; Marvin Josephson, President, International Creative Management, Edward Singer, Chairman, International Group Plans; Nathan Gerdy, Chairman, International Seaway Trading Corp.; Bert G. Cox, President, Joseph & Feiss Co.; Robert Kahn, President, Robert Kahn & Associates; and Herbert Abrams, President, Kennedy Associates, Kennedy Group.

Max A. Brown, President, Kennedy's Arnold Bachner, Chairman, K-Mart Apparel Corporation; Arthur J. Kobacker, President, Kobacker Stores, Inc.; Sidney S. Good, Jr., Chairman, L. S. Good & Co.; Harold Lloyd, President, Lloyd Shopping Centers, Inc ; Jack Luskin, President, Luskin's Inc.; Lew R. Wasserman, Chairman, MCA, Inc.; and Mackey Arnstein, President, Mackey Travel.

Andre Blay, President, Magnetic Video Corp.; Emily Malino, President, Emily Malino Associates, Inc.; Marshall Doty, President, Marshall Doty Associates; Tadao Okada, Executive Vice President, Maxell Corporation of America; John Roberts, President, Media Sound; William P. Tavoulareas, President, Mobil Oil Corporation; Martin Stone, Chairman, Monogram Industries, Inc.; Patrick J. Head, Vice President & General Counsel, Montgomery Ward & Co.; and Albert M. Myers, President, Myers Brothers.

Robert R. Nathan, President, Robert R. Nathan Associates; Jerome I. Feldman, President, National Patent Development Corp.; Mary Roebling, Chairman, The National State Bank of Trenton; Jules Jacobsen, Publisher, New Jersey Suburbanite; William Metz, President, Oakland Consolidated Corp.; Alan H. Greenstadt, President, Optical Systems Corp.; Lew Theiling, President, Outdoor Enterprise, Inc.; Jack K. Busby, Chairman, Pennsylvania Power & Light Co.; and Martin L. Morrow, Chairman, Piedmont Industries.

Miles L. Rubin, Chairman, Pioneer Systems, Inc.; Leonard S. Polaner, President, M. Polaner & Sons, Inc.; John Wolbarst, Vice President for Consumer Affairs, Polaroid Corporation; Marvin Peace, President Professional Insurance Agents; Carl Rosen, President Puritan Fashions Corp.; Abraham Ratner, Chairman, Ratner Clothes Corp.; James Orwin, President, Redwood & Ross; Sidney Dworkin, President, REVCO; Kurt Rosenbach, Chairman, Rice's Department Store; Thomas Samiljan, President, Rob Roy Company, Inc.; James W. Rouse, President, The Rouse Company; and Thomas Miller, President, Royal Transmission.

Austin Stubblefield, President, Scottish Inns of America; M. D. Eggertsen, President, Security Title Guaranty Co.; Peter Nagler, President, Sentinel Bag & Paper Co.; Alfred P. Slaner, Trustee, Duplan Corp.; Peter Solomon, Director, Lehman Brothers; John Mugar, Chairman, Star Market Company; Samuel Slosberg, Chairman, Stride Rite Corp.; Ken Kohda, Marketing Manager, TDK Electronics Corp.; Steven J. Ross, President, Warner Communications; Ira Weissman, Accountant, Weissman, Mackta & Co.; and Barnett Zaffron, President, Barnett Zaffron & Associates.

PERSONAL EXPLANATION

(Mr. RINALDO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RINALDO. Mr. Speaker, I rise in order to explain my absence from the floor earlier today.

Although I was scheduled to arrive in Washington this morning, the snowstorm currently blanketing much of the Northeast closed both LaGuardia and Newark Airports, resulting in the cancellation of all flights to Washington. Although I obtained space on a Metroliner, my arrival was necessarily delayed.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. TRAXLER (at the request of Mr. WRIGHT), for today, on account of inclement weather conditions.

To Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of official business.

To Mr. HUGHES (at the request of Mr. WRIGHT) for today, on account of inclement weather conditions.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COLEMAN) and to revise and extend their remarks and include extraneous matter:)

Mr. CONABLE, for 60 minutes, on February 9.

Mr. CORCORAN of Illinois for 5 minutes, today.

Mr. WHALEN, for 5 minutes, today.

Mr. SEBELIUS, for 10 minutes, today.

(The following Members (at the request of Mr. PANETTA) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. LONG of Maryland, for 5 minutes, today.

Mr. NOLAN, for 5 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. METCALFE, for 10 minutes, today.

Mr. ST GERMAIN, for 30 minutes, today.

Mr. STAGGERS, for 5 minutes, today.

Mr. NEAL, for 5 minutes, today.

Mr. PREYER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ASHBROOK in two instances.

(The following Members (at the request of Mr. COLEMAN), and to include extraneous matter:)

Mr. WYDLER.
Mr. SCHULZE.
Mr. CUNNINGHAM.
Mr. RUPPE.
Mr. MCCLORY.
Mr. TREEN.
Mr. VANDER JAGT.
Mr. SNYDER.
Mr. STANGELAND.
Mr. WHALEN in two instances.
Mr. CRANE in five instances.
Mr. STEERS.
Mr. DORNAN.
Mr. HYDE.
Mr. LOTT.

(The following Members (at the request of Mr. PANETTA) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. CLAY.
Mr. WAXMAN.
Mr. MAZZOLI in three instances.
Mr. NOLAN.
Mr. PEASE in three instances.
Mr. JONES of Tennessee.
Mr. SIMON.
Mr. PEPPER in two instances.
Mr. MCDONALD.
Mr. MITCHELL of Maryland.
Mr. EILBERG in three instances.
Mr. SKELTON.
Mr. PATTISON of New York.
Mr. MILLER of California.
Mr. DRINAN in two instances.

ADJOURNMENT

Mr. PANETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 7, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3167. A letter from the Secretary of Defense, transmitting the annual report of the Department of Defense for fiscal year 1979; to the Committee on Armed Services.

3168. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a draft of proposed legislation to amend and extend the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

3169. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving nuclear facilities with four Spanish electric utilities, pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended (88 Stat. 2335; 91 Stat. 1210); to the Committee on Banking, Finance and Urban Affairs.

3170. A letter from the senior vice president, Potomac Electric Power Co., transmitting the company's balance sheet as of December 31, 1977, pursuant to section 8 of the act of March 4, 1913 (37 Stat. 979); to the Committee on the District of Columbia.

3171. A letter from the comptroller, Washington Gas Light Co., transmitting the company's balance sheet as of December 31, 1977, pursuant to section 8 of the act of March 4, 1913 (37 Stat. 979); to the Committee on the District of Columbia.

3172. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3173. A letter from the General Counsel, Copyright Office, Library of Congress, transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3174. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the funds awarded to the Confederated Tribes of the Colville Reservation for and on behalf of the Joseph Band of Nez

Perce before the Indian Claims Commission in docket 186, pursuant to sections 2(a) and 4 of Public Law 93–134; to the Committee on Interior and Insular Affairs.

3175. A letter from the Chief Commissioner, U.S. Court of Claims, transmitting a report on the allowance of attorney expense claims in docket No. F–8, Estate of Stanley J. McCutcheon, Clifford J. Groh, Ronald G. Benkert, and William A. Greene, pursuant to section 20 of the Alaska Native Claims Settlement Act; to the Committee on Interior and Insular Affairs.

3176. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting a report on the results of a study of ways to protect and enhance the historic resources in and around Gettysburg, Pa., pursuant to section 202(b) of the National Historic Preservation Act; to the Committee on Interior and Insular Affairs.

3177. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize a supplemental appropriation for the extension of credit and the issuance of guaranties under the Arms Export Control Act for the fiscal year 1978, and for other purposes, to the Committee on International Relations.

3178. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Portgual for permission to transfer certain U.S.-origin military equipment to the Government of Colombia, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

3179. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the second report on the extent to which the Republic of Korea is cooperating with the Department of Justice investigation into allegations of improper activity in the United States by agents of the Republic of Korea, pursuant to section 28 of Public Law 95–92; to the Committee on International Relations.

3180. A letter from the Staff Secretary, National Security Council, transmitting notice of delays in the preparation of arms control impact statements for fiscal year 1979, required by section 36(b) of the Arms Control and Disarmament Act, as amended (89 Stat. 758); to the Committee on International Relations.

3181. A letter from the president, Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., transmitting notice of a delay in preparation of the Institute's annual report for fiscal year 1977, required by section 3 of the act of May 7, 1928, as amended; to the Committee on International Relations.

3182. A letter from the Chairman, Japan United States Friendship Commission, transmitting the first annual report of the Commission, covering fiscal year 1977, pursuant to section 5(b) of Public Law 94–118; to the Committee on International Relations.

3183. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the monthly report on sales of refined petroleum products for October 1977, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3184. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

3185. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on professional and scientific positions established in the agency during calendar year 1977, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

3186. A letter from the Secretary, Railroad Retirement Board, transmitting a report on positions in grades GS–16, 17, and 18 during calendar year 1977, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

3187. A letter from the Administrator of General Services, transmitting an amendment to the approved prospectus for the Charles R. Jonas Federal Building, Charlotte, N.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3188. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to carry out the Standard Reference Data Act; to the Committee on Science and Technology.

3189. A letter from the Comptroller General of the United States, transmitting a report on enforcement of fair housing laws (CED–78–21, February 2, 1978); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and the Judiciary.

3190. A letter from the Comptroller General of the United States, transmitting a report on handgun control (PAD–78–4, February 6, 1978); jointly, to the Committees on Government Operations and the Judiciary.

3191. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, International Relations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Feb. 2, 1978, the following report was filed on Feb. 3, 1978*]

Mr. NEDZI: Committee on House Administration. H.R. 5981. A bill to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such act; with amendment (Rept. No. 95–865). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN:

H.R. 10751. A bill to create a National Academy of Medicine, under the direct supervision of the Surgeon General, for the education and training of doctors of medicine, and other medical specialists who shall serve in the Regular Corps of the Public Health Service as commissioned officers thereof, to amend the Public Health Service Act, as amended (42 U.S.C. 201 et seq), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANNUNZIO (for himself and Mr. RICHMOND):

H.R. 10752. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. CUNNINGHAM (for himself, Mr. FOLEY, Mr. COUGHLIN, Mr. DORNAN, Mr. LAGOMARSINO, Mr. MANN, Mr. RYAN, and Mr. HARRINGTON):

H.R. 10753. A bill to amend the act commonly known as the Black Bass Act to provide further protection for steelhead trout, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. MIKVA (for himself, Mr. BRODHEAD, Mr. GEPHARDT, Mr. TUCKER, and Mr. WIRTH):

H.R. 10754. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI programs) accordingly; to the Committee on Ways and Means.

By Mr. SCHULZE:

H.R. 10755. A bill to amend the Internal Revenue Code of 1954 to reduce individual income taxes; to the Committee on Ways and Means.

By Mr. GIAIMO:

H.R. 10756. A bill to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95–285), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 10757. A bill to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95–285), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 10758. A bill to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95–285), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. SIMON:

H.R. 10759. A bill to establish a national system of financing child and maternal health care and a system of protection against catastrophic health care costs, and to improve and expand health care for the elderly; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 10760. A bill to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Education and Labor.

By Mr. DUNCAN of Tennessee:

H.R. 10761. A bill to amend part II of the Interstate Commerce Act to exempt motor vehicles used in the transportation of members of certain religious organizations from the application of such part, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FORD of Michigan (for himself, Mr. QUIE, Mr. BALDUS, Mr. PHILLIP BURTON, Mr. CLAY, Mr. CONYERS, Mr. DIGGS, Mr. DUNCAN of Oregon, Mr. EILBERG, Mr. FARY, Mr. FAUNTROY, Mr. FRENZEL, Mr. JOHNSON of California, Mr. LAFALCE, Mr. MIKVA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. RODINO, Mr. ROSENTHAL, Mr. BIAGGI, Mr. STEIGER, Mr. THOMPSON, Mr. VAN DEERLIN, Mr. WINN, and Mr. MURTHA):

H.R. 10762. A bill to authorize funds for the Hubert H. Humphrey Institute of Public Affairs; to the Committee on Education and Labor.

By Mr. GAMMAGE:

H.R. 10763. A bill to amend the Internal Revenue Code of 1954, title 26 of the United States Code, to provide that taxpayers who itemize deductions may deduct from taxable income an amount equal to the amount of social security taxes paid during the taxable year, or, in lieu of such deduction, any taxpayer may claim a tax credit in the amount of 15 percent of the amount of such social security taxes paid, whichever results in greater savings; to the Committee on Ways and Means.

By Mr. HAGEDORN:

H.R. 10764. A bill to direct the Secretary of Agriculture not to further limit, restrict, or prohibit the use of nitrites or nitrates as preservatives in meat products for a period of 2 years, and for other purposes; to the Committee on Agriculture.

By Mr. HIGHTOWER:

H.R. 10765. A bill to provide wheat, feed grain and cotton producers the opportunity to receive parity prices for the 1978 through 1981 crops; to the Committee on Agriculture.

By Mr. HILLIS (for himself, Mr. DORNAN, and Mr. BUCHANAN):

H.R. 10766. A bill to amend the Internal Revenue Code of 1054 to allow taxpayers to treat certain federally required nonproductive expenditures as not chargeable to capital account and as currently deductible; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 10767. A bill to amend the Internal Revenue Code of 1954 to allow taxpayers to individuals filing separate returns the income tax rates applicable to unmarried individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. JEFFORDS:

H.R. 10768. A bill to establish an incentive program for producers to cull dairy cattle; to the Committee on Agriculture.

By Mr. JONES of Tennessee:

H.R. 10769. A bill to amend the Rural Electrification Act of 1936, as amended, to provide for the financing of telecommunication facilities for cable television and other broadband services in small towns and rural areas; to the Committee on Agriculture.

By Mr. LAGOMARSINO (for himself and Mr. PATTERSON of California):

H.R. 10770. A bill to provide rental assistance under section 8 of the U.S. Housing Act of 1937 for owners of mobile homes who rent the real property on which their mobile homes are located; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MAGUIRE:

H.R. 10771. A bill to strengthen and improve the early and periodic screening, diagnosis, and treatment program, to establish a National Commission on Preventive Health, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Ms. MIKULSKI (for herself, Mrs. SPELLMAN, Mr. BEDELL, Mr. BROYHILL, Mr. BURGENER, Mr. CLEVELAND, Mr. COUGHLIN, Mr. EDGAR, Mr. GOODLING, Mr. HARRINGTON, Ms. HOLTZMAN, Mrs. LLOYD of Tennessee, Mr. MARTIN, and Mr. MATHIS):

H.R. 10772. A bill to amend title 39, United States Code, to prevent deceptive business solicitations by providing that any such solicitation which is designed to resemble a bill or statement of account shall be nonmailable matter; to the Committee on Post Office and Civil Service.

By Ms. MIKULSKI (for herself, Mrs. SPELLMAN, Mr. MITCHELL of Maryland, Mr. MOSS, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PRICE, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SARASIN, Mr. SOLARZ, Mr. STARK, Mr. WEISS, and Mr. WHITLEY):

H.R. 10773. A bill to amend title 39, United States Code, to prevent deceptive business solicitations by providing that any such solicitation which is designed to resemble a bill or statement of account shall be nonmailable matter; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY (for himself, Mr. APPLEGATE, Mr. ICHORD, Mrs. HOLT, Mr. SIMON, Mr. FUQUA, Mr. ADDABBO, Mr. WAMPLER, Mr. SPENCE, Mr. LLOYD of California, Mr. WHITTEN, Mr. FLORIO, Mr. CHARLES WILSON of Texas, Mr. CORNWELL, Mr. YOUNG of Missouri, Mr. EMERY, Mr. D'AMOURS, Mr. CHAPPELL, Mr. DANIELSON, Mr. JOHN T. MYERS, Mr. HOLLAND, Mr. JENRETTE, Mr. PREYER, Mr. LEHMAN, and Mr. PANETTA):

H.R. 10774. A bill to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. NEDZI (for himself, Mr. PERKINS, Mr. OTTINGER, Mr. BEDELL, Mr. KAZEN, Mr. PREYER, Mr. PEPPER, Mr. WOLFF, Mr. COHEN, Mr. RODINO, Mr. ROE, Mr. CONTE, Mr. LUNDINE, Ms. HOLTZMAN, Mr. CARR, Mr. LEVITAS, Mr. ADDABBO, Mr. ENGLISH, Mr. EILBERG, Mr. BAUCUS, Mr. HUGHES, Mr. MIKVA, Mr. PANETTA, Mr. WAXMAN, and Mr. WEISS):

H.R. 10775. A bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship; to the Committee on House Administration.

By Mr. NEDZI (for himself, Mr. PRITCHARD, Mr. BRODHEAD, Mr. CORMAN, Mr. TRAXLER, Mr. PATTEN, Mr. AKAKA, Mr. VAN DEERLIN, Mr. MOAKLEY, Mr. GUDGER, Mr. BOLAND, Mr. FISHER, Mr. KREBS, Mr. BUCHANAN, Mr. GUYER, Mr. BOLLING, Mr. DERWINSKI, Mr. HORTON, Mr. BURKE of Massachusetts, Mr. RUSSO, Mr. LEGGETT, Mr. WHALEN, Mr. ERTEL, Mr. WHITEHURST, and Mr. LAFALCE):

H.R. 10776. A bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship; to the Committee on House Administration.

By Mr. NEDZI (for himself, Mr. MCCORMACK, Mr. RICHMOND, Mr. MANN, Mr. PATTERSON of California, Mr. MCHUGH, Mr. RYAN, Mr. MINETA, and Mr. ZEFERETTI):

H.R. 10777. A bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship; to the Committee on House Administration.

By Mr. REUSS (for himself and Mr. ST GERMAIN):

H.R. 10778. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by establishing within the National Credit Union Administration a Central Liquidity Facility for Federal and State credit unions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 10779. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by establishing within the National Credit Union Administration a Central Liquidity Facility for Federal and State credit unions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEBELIUS:

H.R. 10780. A bill to amend the terms and conditions of the producer storage program for wheat and feed grains to provide incentives for participation by farmers; to the Committee on Agriculture.

By Mr. SEBELIUS (for himself, Mr. SKUBITZ, Mr. WINN, Mr. THONE, Mr. JOHNSON of Colorado, and Mr. MARLENEE):

H.R. 10781. A bill to provide wheat, feed grain and cotton producers the opportunity to receive parity prices for the 1978 crops; to the Committee on Agriculture.

By Mr. SEIBERLING:

H.R. 10782. A bill to amend title I of the Higher Education Act of 1956 to establish a system of grants for urban universities; to the Committee on Education and Labor.

H.R. 10783. A bill to authorize the recovery of damages by indirect purchasers injured in their business or property by reason of anything forbidden in the antitrust laws, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Iowa (for himself and Mr. CONTE):

H.R. 10784. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses by establishing a graduated income tax rate for corporations; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 10785. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 10786. A bill to amend Public Law 95-209 to increase the authorization for appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL (for himself and Mr. RONCALIO) (by request):

H.R. 10787. A bill to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS of Texas:

H.J. Res. 713. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Commttee on the Judiciary.

By Mr. FOUNTAIN:

H.J. Res. 714. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. ADDABBO, Mr. ALEXANDER, Mr. ALLEN, Mr. AMBRO, Mr. ANDREWS of North Dakota, Mr. ANNUNZIO, Mr. ASHLEY, Mr. ASPIN, Mr. AUCOIN, Mr. BALDUS, Mr. BAUCUS, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mr. BENNETT, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLOUIN, Mr. BOGGS, Mr. BOLAND, and Mr. BONIOR):

H.J. Res. 715. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. BONKER, Mr. BOWEN, Mr. BRADEMAS, Mr. BREAUX, Mr. BRECKINRIDGE, Mr. BRODHEAD, Mr. BROWN of California, Mr.

BROYHILL, Mr. BURKE of Massachusetts, Mrs. BURKE of California, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. BUTLER, Mr. CAPUTO, Mr. CARNEY, Mr. CARR, Mr. CARTER, Mr. CAVANAUGH, Mrs. CHISHOLM, Mr. DON H. CLAUSEN, Mr. DEL CLAWSON, and Mr. CLAY):

H.J. Res. 716. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS (for himself, Mr. RYAN, Mr. OTTINGER, Mr. CLEVELAND, Mr. COCHRAN of Mississippi, Mr. COHEN, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. CORNELL, Mr. CORNWELL, Mr. CUNNINGHAM, Mr. DANIELSON, Mr. DELLUMS, Mr. DE LUGO, Mr. DERRICK, Mr. DICKS, Mr. DIGGS, Mr. DINGELL, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. DUNCAN of Oregon, Mr. ECKHARDT, and Mr. EDGAR):

H.J. Res. 717. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. EDWARDS of California, Mr. EILBERG, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mr. EVANS of Colorado, Mr. EVANS of Delaware, Mr. FARY, Mrs. FENWICK, Mr. FISH, Mr. FISHER, Mr. FITHIAN, Mr. FLIPPO, Mr. FLORIO, Mr. FOLEY, Mr. FORD of Michigan, Mr. FOUNTAIN, Mr. FRASER, Mr. FRENZEL, Mr. FREY, and Mr. FUQUA):

H.J. Res. 718. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. GAMMAGE, Mr. GEPHARDT, Mr. GIBBONS, Mr. GILMAN, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GOODLING, Mr. GORE, Mr. GRADISON, Mr. GRASSLEY, Mr. GUDGER, Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. HANLEY, Mr. HANNAFORD, Mr. HANSEN, Mr. HARKIN, Mr. HARRINGTON, Mr. HARRIS, Mr. HECKLER, Mr. HEFTEL, and Mr. HILLIS):

H.J. Res. 719. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. HOLLAND, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. JACOBS, Mr. JENRETTE, Mr. JOHNSON of California, Mr. JONES of North Carolina, Mr. KASTEN, Mr. KASTENMEIER, Mr. KEMP, Mrs. KEYS, Mr. KILDEE, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KREBS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LE FANTE, and Mr. LEGGETT):

H.J. Res. 720. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER (for himself, Mr. JEFFORDS, Mr. RYAN, Mr. LEVITAS, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. LONG of Maryland, Mr. LUJAN, Mr. LUKEN, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCDONALD, Mr. MCFALL, Mr. MCHUGH, Mr. MCKINNEY, Mr. MAGUIRE, Mr. MARKEY, Mr. MARKS, Mr. MARTIN, Mr. MATTOX, Mr. MAZZOLI, Mr. MEEDS, Mr. METCALFE, Mrs. MEYNER, and Mr. MIKVA): proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

H.J. Res. 721. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of California, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. MURTHA, Mr. JOHN T. MYERS, Mr. NATCHER, Mr. NEAL, Mr. NIX, Mr. NOLAN, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. O'BRIEN, and Mr PANETTA):

H.J. Res. 722. Joint resolution proclaiming May 3 ,1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PATTISON of New York, Mr. PEPPER, Mrs. Pettis, Mr. PICKLE, Mr. PIKE, Mr. PRESSLER, Mr. PRICE, Mr. PURSELL, Mr. RAHALL, Mr. RANGEL, Mr. REUSS, Mr. RHODES, Mr. RICHMOND, Mr. ROBERTS, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. RUPPE, and Mr. RUSSO):

H.J. Res. 723. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. ST GERMAIN, Mr. SANTINI, Mr. SARASIN, Mr. SAWYER, Mr. SCHEUER, Mr. SEBELIUS, Mr. SEIBERLING, Mr. SHARP, Mr. SIMON, Mr. SKELTON, Mr. SLACK, Mr. SMITH of Iowa, Mr. SOLARZ, Mrs. SPELLMAN, Mr. SPENCE, Mr. STAGGERS, Mr. STARK, Mr. STEERS, Mr. STEIGER, Mr. STUDDS, Mr. TAYLOR, and Mr. TEAGUE):

H.J. Res. 724. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. THOMPSON, Mr. THONE, Mr. TRAXLER, Mr. TRIBLE, Mr. TSONGAS, Mr. TUCKER, Mr. UDALL, Mr. ULLMAN, Mr. VAN DEERLIN, Mr. VANDER JAGT, Mr. VANIK, Mr. VOLKMER, Mr. WAGGONNER, Mr. WALGREN, Mr. WAMPLER, Mr. WATKINS, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WHALEN, Mr. WHITE, and Mr. WHITEHURST):

H.J. Res. 725. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, Mr. WHITTEN, Mr. CHARLES WILSON of Texas, Mr. WIRTH, Mr. WRIGHT, Mr. YATES, Mr. YOUNG of Missouri, Mr. ZEFERETTI, and Mr. CONTE):

H.J. Res. 726. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. WRIGHT, Mr. LIVINGSTON, Mr. DUNCAN of Oregon, Mr. TREEN, Mr. RAHALL, Mr. BONKER, Mr. MEEDS, Mr. STEERS, Mr. TSONGAS, Mr. HANNAFORD, Mr. ARMSTRONG, Mr. DICKS, Mr. STAGGERS, Mr. MOLLOHAN, Mr. OTTINGER, Mr. OBERSTAR, Mr. DRINAN, Mr. MCCORMACK, Mr. PEASE, Mr. BRECKINRIDGE, Mr. CARR, Mr. ICHORD, Mr. THONE, and Mr. WALSH):

H.J. Res. 727. Joint resolution to designate May 21, 1978, as Firefighters' Memorial Sunday; to the Committee on Post Office and Civil Service.

By Mr. FAUNTROY (for himself, Mr. JONES of Oklahoma, Mr. DELLUMS, Mr. MCKINNEY, and Mr. WHALEN):

H. Con. Res. 471. Concurrent resolution approving an amendment to the District of Columbia charter relating to recall of elected officials; to the Committee on the District of Columbia.

By Mr. DORNAN (for himself, Mr. LEDERER, Mr. OTTINGER, and Mr. BEILENSON):

H. Con. Res. 472. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. BROOKS:

H. Res. 1001. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Government Operations; to the Committee on House Administration.

By Mr. CRANE:

H. Res. 1002. Resolution authorizing House Judiciary Committee investigation of Attorney General Bell for any impeachable offenses; to the Committee on Rules.

By Mr. JOHNSON of California (for himself and Mr. HARSHA):

H. Res. 1003. Resolution providing funds for the Committee on Public Works and Transportation, and for other purposes; to the Committee on House Administration.

By Mr. WOLFF:

H. Res. 1004. Resolution to provide for the expenses of investigations, and studies to be conducted by the Select Committee on Narcotics Abuse and Control; to the Committee on House Administration.

By Mr. YOUNG of Florida (by request):

H. Res. 1005. Resolution directing the Committee on Interstate and Foreign Commerce to conduct hearings to determine whether Federal safety standards for hang gliders are desirable and to determine the appropriate Federal agency to administer such standards; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally read as follows:

By Mr. BAUCUS:

H.R. 10788. A bill for the relief of the Mondakota Gas Co.; to the Committee on the Judiciary.

By Mr. MCFALL:

H.R. 10789. A bill for the relief of Marion Charlotte Williams; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 10790. A bill for the relief of Dr. Francisco Dozon and his wife, Luzviminda Dozon; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6805

By Mr. BLOUIN:

Page 33, line 5, strike out the colon and insert in lieu thereof the following: "(except to communicate information under paragraph (1) (B) or (2) of this section)".

Page 33, line 13, insert "agency" after "any" and insert "or activity" after "proceeding".

Page 33, line 12, strike out "and (B)" and insert in lieu thereof "(B) export and import policies, (C)".

Page 33, line 15, strike out "(2) in any proceeding concerning" and insert in lieu thereof "(D)".

Page 33, line 16, insert before the period the following: ", or (2) in any agency proceeding or activity under the Export Administration Act of 1969 relating to any agricultural commodity".

Page 33, line 5, strike out the colon and insert in lieu thereof the following: "(except to communicate information under paragraph (1) (B) or (2) of this section)".

Page 33, line 5, insert "agency" after "any" and insert "or activity" after "proceeding".

Page 33, line 12, strike out "and (B)" and insert in lieu thereof "(B) export and import policies, (C)".

Page 33, line 15, strike out "(2) in any proceeding concerning" and insert in lieu thereof "(D)".

Page 33, line 16, insert before the period the following: ", or (2) in any agency proceeding or activity under the Export Administration Act of 1969 relating to any agricultural commodity".

By Mr. GLICKMAN:

Strike out all after the enacting clause of the amendment in the nature of a substitute made in order by House Resolution 872, and insert the following:

That this Act may be cited as the "Consumer Protection Act of 1977".

SEC. 2. DECLARATION OF POLICY.

(a) FINDINGS.—The Congress finds and declares the following:

(1) In the execution of its constitutional and statutory responsibilities, the Federal Government and the agencies thereof—

(A) should consistently, completely, and adequately represent the interests of consumers;

(B) should not promulgate regulations or adopt policies without first developing and considering information as to their impact on consumers; and

(C) should act in such manner as to protect and serve the interests of consumers.

(2) The most effective and cost-efficient way to assure such representation and protection of consumers is to establish—

(A) an independent Office of Consumer Counsel within each significant operating unit of the executive branch of the Federal Government; and

(B) a Division of Consumer Protection and Advocacy in the Department of Justice to assist and support such Offices and to serve as the coordinating agency for consumer advocacy.

(b) PURPOSES.—

(1) It is the purpose of the Congress in this Act to reorganize each significant operating unit of the executive branch to the extent necessary to assure that each such unit, through an independent Office of Consumer Counsel, maintains internal processes and procedures for adequately representing, protecting, and serving the interests of consumers at all stages in, and in all phases of, the formulation, implementation, and review of policies, programs, regulations, and legislative recommendations.

(2) It shall be the specific purpose of each Office to represent the interests of consumers before and within the Federal agency of which it is a part; to receive, transmit, evaluate, and report on consumer complaints; to develop and disseminate information of interest to consumers; and to perform other functions to protect and promote the interests of consumers. In the exercise of its functions, powers, and duties, each such Office shall be independent of all other offices and officers of the agency of which it is a part.

(3) It shall be the specific purpose of the Division of Consumer Protection and Advocacy of the Department of Justice, in addition to such other functions as may be assigned to such Division by law or by the Attorney General, to—

(A) provide data, information, advocacy-training, and other appropriate services to each Office and to provide a forum for coordinating the activities and assuring the independence and effectiveness of the Offices;

(B) assist any Consumer Counsel in representing the interests of consumers before the relevant Federal agency;

(C) promote, through appropriate litigation, legislative recommendation, and recommendations to any Office the protection of consumers with respect to—

(i) the safety, quality, purity, potency, healthfulness, durability, performance repairability, effectiveness, dependability, availability, truthful representation, and cost of any goods, services, credit or other property;

(ii) assuring consumer choice and competitive markets;

(iii) preventing unfair or deceptive trade practices and restraints on trade; and

(iv) the legal rights and access of consumers to speedy, effective, and inexpensive mechanisms for the resolution of consumer contraversies.

SEC. 3. DEFINITIONS.

As used in this Act, unless the context otherwise requires—

(1) The term "agency action" include the whole or any part of an agency "rule", "order", "license", "sanction", or "relief" (as defined in section 551 of title 5, United States Code), or the equivalent thereof, the denial thereof, or the failure to act.

(2) The term "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority, or responsibility under law.

(3) The term "agency proceeding" means agency "rulemaking", "adjudication", or "licensing" (as defined in section 551 of title 5, United States Code).

(4) The term "commerce" means trade, traffic, commerce, or transportation, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, commerce, or transportation described in clause (A).

(5) The term "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any goods, services, credit, or other property for personal, family, agricultural, or household purposes.

(6) The term "Consumer Counsel" means, with respect to a Federal agency, the officer who is appointed pursuant to this Act to represent the interest of consumers in accordance with this Act.

(7) The term "Federal agency" or "agency" means the Departments of Agriculture, Defense, Commerce, Energy, Health, Education, and Welfare (other than the Food and Drug Administration), Housing and Urban Development, Interior, Labor, Transportation, and Treasury; the Civil Aeronautics Board; the Consumer Product Safety Commission; the Environmental Protection Agency; the Federal Communications Commission; the Federal Maritime Commission; the Federal Trade Commission; the Interstate Commerce Commission; the Food and Drug Administration; the National Transportation Safety Board; the Securities and Exchange Commission; the General Services Administration; the Small Business Administration; the Postal Rate Commission; and any successors thereto.

(8) The term "Federal court" means any court of the United States.

(9) The term "interest of consumers" means any substantial health, safety, or economic concern of consumers involving goods, services, credit, or other property, or the advertising or other representation thereof, which is or may become the subject of any commercial offer or any transaction affecting commerce or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration.

(10) The term "Office" means any Office of Consumer Counsel established pursuant to section 4 of this Act.

(11) The term "participation" includes any form of submission.

(12) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(13) The term "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

SEC. 4. ESTABLISHMENT.

(a) OFFICES OF CONSUMER COUNSEL.—

(1)(A) There shall be established within each Federal agency, within 60 days after the date of enactment of this Act and pursuant to a plan of reorganization prepared by the head of each such agency to provide for adequate representation of the interests of consumers, an independent Office of Consumer Counsel. Such reorganization shall provide that all existing consumer offices and staff within such agency shall be combined into that agency's Office of Consumer Counsel.

(B)(i) Except to the extent prohibited by law, the Director of the Office of Management and Budget is authorized and directed to review all other Federal programs and activities which have a consumer information advocacy, or related function and identify those which would overlap, duplicate, or conflict with the functions performed by these Offices. This review shall be carried out as a part of the President's first budget review process following establishment of the Office.

(ii) The Director of the Office of Management and Budget shall, one week after the submission of the President's budget to the Congress, report to the Committees on Appropriations and Government Operations of the House of Representatives and Appropriations and Governmental Affairs of the Senate the results of the review required by paragraph (1) of this subsection. Such report shall include (A) all activties identified as a part of the Office of Management and Budget's review; (B) a description of those activities including their costs during the fiscal year and how those activities overlap, duplicate, or conflict with the responsibilities of these Offices; and (C) the budgetary recommendations to the Congress to eliminate such activities.

(iii) Nothing in this subsection shall be construed to prohibit the Director of the Office of Management and Budget from including in the report required by paragraph (2) of this subsection, comments on the consumer related activities of independent regulatory agencies that overlap, duplicate, or conflict with the functions performed by these Offices.

(2) Each such Office shall be directed and administered by a Consumer Counsel. Each Consumer Counsel shall be appointed by the President, by and with the advice and consent of the Senate, for a fixed term of office not to exceed 3 years. The terms of office of the Consumer Counsel appointed initially shall be staggered, in a manner compatible with the oversight responsibilities of the Congress, to assure that all such terms do not expire simultaneously. Each Consumer Counsel shall be compensated at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. Each Consumer Counsel shall be an individual who, by reason of training or experience, and attainments, is qualified to represent effectively and independently the interests of consumers. Upon the expiration of his term of office, each Consumer Counsel shall continue in office until reappointment or until the appointment and qualification of his successor

(b) DIVISION OF CONSUMER PROTECTION AND ADVOCACY IN THE DEPARTMENT OF JUSTICE.—

(1) There is established, within the Department of Justice, a Division of Consumer Protection and Advocacy, which shall be directed by the Assistant Attorney General for Consumer Protection and Advocacy.

(2) Chapter 31 of title 28, United States Code, is amended by adding immediately after section 507 thereof, the following new section 507a:

"§ 507a. Assistant Attorney General for Consumer Protection and Advocacy

"The President shall appoint, by and with the advice and consent of the Senate, an As-

sistant Attorney General for Consumer Protection and Advocacy, pursuant to the Consumer Protection Act of 1977.".

(3) The analysis of chapter 31 of title 28, United States Code, is amended by adding at the appropriate place the following new item:

"507a. Assistant Attorney General for Consumer Protection and Advocacy.".

(4) Paragraph (19) of section 5315 of title 5, United States Code, is amended by striking out "(9)" and inserting in lieu thereof "(10)".

SEC. 5. POWERS AND DUTIES OF EACH CONSUMER COUNSEL.

(a) IN GENERAL.—Each Consumer Counsel shall be responsible for exercising the powers, duties, and functions provided for in this Act.

(b) SPECIFIC POWERS AND DUTIES.—Each Consumer Counsel may, in carrying out his functions under this Act and to the extent funds are appropriated—

(1) select, appoint, employ, and fix the compensation (subject to the civil service and classification laws) of such officers and employees as are necessary to carry out the provisions of this Act, and shall prescribe the authority and duties of officers and employees;

(2) employ and pay the expenses of experts and consultants, in accordance with section 3109 of title 5, United States Code, at daily rates (including traveltime) not in excess of the maximum rate of pay for grade GS–18, as provided in section 5332 of such title 5;

(3) promulgate, in accordance with the applicable provisions of chapter 5 of title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act and to assure fairness to all affected persons;

(4) delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of State, regional, local, and private agencies and instrumentalities;

(6) accept voluntary uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(7) conduct conferences and hearings and otherwise secure data and expression of opinion;

(8) accept unconditional gifts or donations of services, money, or property (real, personal, or mixed, tangible or intangible);

(9) designate representatives to maintain effective liaison with (A) the Assistant Attorney General for Consumer Protection and Advocacy, (B) other Offices, and (C) State and local agencies carrying out programs and activities related to the interests of consumers; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) REPORTS.—Each Consumer Counsel shall prepare and submit a quarterly report, on the activities of his Office to the head of the Federal agency of which such Office is a part and to the Assistant Attorney General for Consumer Protection and Advocacy. The annual report of each Federal agency shall include a separate section, which shall be prepared independently by the Consumer Counsel for such agency, on the consumer protection activities of such agency and on such agency's effectiveness in representing, protecting, and serving the interests of consumers. Each such separate section of each such annual report shall include, but not be limited to, a description and analysis of—

(1) the activities of the Office including its representation of the interests of consumers;

(2) the relevant Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the appropriation by Congress for the Office, the distribution of appropriated funds for current fiscal year, and a general estimate of the resource requirements of the Office for each of the next 3 fiscal years; and

(4) the extent of participation by consumers in the activities of the Office, and the effectiveness of the representation of consumers before the agency of which the Office is a part.

(d) DUTIES OF EACH FEDERAL AGENCY.—Each office and officer of the agency of which an Office is a part shall provide such Office with such information and data as the Consumer Counsel requests, except as provided in section 11 of this Act. The budget requests and budget estimates of each Office shall be submitted by the agency of which it is a part directly to the Congress, and moneys appropriated for the use of such Office shall not be used by the agency of which it is a part for any other purpose.

SEC. 6. FUNCTIONS OF EACH CONSUMER COUNSEL.

Each Consumer Counsel shall—

(1) represent the interests of consumers within and before the agency of which his Office is a part to the extent authorized by section 7 of this Act;

(2) conduct and support research, and studies, to the extent authorized by section 10 of this Act;

(3) submit recommendations annually, to the Assistant Attorney General for Consumer Protection and Advocacy, the appropriate committees of the Congress, and the head of the agency of which his Office is a part, on measures to improve the operation of such agency and of the Federal Government in general in the protection and promotion of the interests of consumers, including, but not limited to, any reorganization recommendations, and recommendations relative to the elimination of duplicative or unnecessary rules and regulations promulgated by such agency which it considers not to be in the consumers' interests;

(4) receive, transmit to appropriate officials, and make publicly available consumer complaints, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal officials or agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) keep the appropriate committees of Congress fully and currently informed of all the activities of his Office;

(8) encourage the adoption and expansion of effective consumer education programs;

(9) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(10) encourage the development of informal dispute settlement procedures involving consumers;

(11) encourage meaningful participation by consumers in the activities of his Office;

(12) publish information and material obtained and developed in carrying out his responsibilities under this Act, including, but not limited to, a consumer register of matters that may be useful to consumers; and

(13) perform other activities which are recommended by the Assistant Attorney General for Consumer Protection and Advocacy or which he deems necessary for the effective fulfillment of his duties and functions.

SEC. 7. REPRESENTATION OF CONSUMERS.

(a) ADMINISTRATIVE REPRESENTATION.—

(1) If a Consumer Counsel finds that the result of a relevant proceeding or activity of the Federal agency of which his Office is a part may substantially affect an interest of consumers, such Consumer Counsel may, as of right, intervene as a party or otherwise participate in such proceeding or activity, for the purpose of representing an interest of consumers. If a Consumer Counsel finds, with respect to the Federal agency of which his Office is a part, that the result of any relevant agency proceeding, which—

(A) is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code;

(B) involves a hearing that is required by any statute, regulation, or practice;

(C) is conducted on the record after opportunity for an agency hearing; or

(D) is subject to a requirement of public notice and opportunity for comment,

may substantially affect an interest of consumers, such Consumer Counsel may, as of right, intervene as a party or otherwise participate in such proceeding, for the purpose of representing an interest of consumers. A Consumer Counsel shall refrain from intervening as a party in any proceeding unless such intervention is necessary to represent adequately an interest of consumers. Each Consumer Counsel shall comply with the relevant statutes and procedural rules of general applicability governing the timing of intervention or participation in such Federal agency proceeding or activity. Upon intervening or participating in a Federal agency proceeding or activity, a Consumer Counsel shall comply with any relevant statutes and procedural rules of general applicability. The intervention or other participation of a Consumer Counsel, pursuant to this subsection, shall not affect the obligation of the Federal agency involved to assure procedural fairness to all participants.

(2) The Assistant Attorney General for Consumer Protection and Advocacy may, upon the request of a Consumer Counsel, assist such Consumer Counsel in any such Counsel's intervention or other participation in that Counsel's Federal agency proceeding or activity, pursuant to this subsection, and may, in an appropriate circumstance, recommend such intervention or other participation to any applicable Consumer Counsel.

(3) Whenever a Consumer Counsel determines to intervene or otherwise participate in his agency's proceeding pursuant to this subsection, such Consumer Counsel shall publish in the Federal Register a statement setting forth his findings under paragraph (1) and the specific interest of consumers sought to be protected. Upon intervening or participating, such Consumer Counsel shall file a copy of such statement in the proceeding.

(b) JUDICIAL REPRESENTATION.—

(1) The Assistant Attorney General for Consumer Protection and Advocacy may, as of right, and in the manner prescribed by law for an aggrieved person, initiate, intervene, or otherwise participate in a civil action in a Federal court for the review of an agency action of any Federal agency if such Assistant Attorney General determines that such action may substantially affect an interest of consumers. If the applicable Consumer Counsel did not intervene or otherwise participate in the relevant Federal agency proceeding or activity out of which such agency action arose, the court shall determine whether the initiation of a judicial proceeding pursuant to this subsection would impede or would be necessary to preserve the interests of justice.

(2) If the Consumer Counsel believes that the initiation of a Federal civil action by the Assistant Attorney General, or the intervention in such Federal civil action, is war-

ranted, it shall recommend such action to the Assistant Attorney General, who shall take such action if the conditions outlined in subparagraph (1) of this section are met. The Consumer Counsel shall have no power and authority to initiate or intervene in any Federal court proceeding.

(3) The initiation of a judicial proceeding, or any other participation, by the Assistant Attorney General for Consumer Protection and Advocacy, in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

(c) REQUEST FOR JUDICIAL REVIEW.—Whenever a Consumer Counsel, or the Assistant Attorney General for Consumer Protection and Advocacy, determines it to be in the interest of consumers, he may request the relevant Federal agency to initiate a judicial proceeding for review, or to take such other action, as may be authorized by law with respect to such agency. If such Federal agency fails to take the action requested, it shall promptly notify such Consumer Counsel or Assistant Attorney General of its reasons therefor, and such notification shall be a matter of public record.

(d) TITLE OF APPEARANCES.—Appearances before a Federal agency by a Consumer Counsel under this Act shall be in the name of his Office and shall be made by qualified representatives designated by the consumer counsel involved. Appearances by the Assistant Attorney General for Consumer Protection and Advocacy shall be in the name of the United States unless the Attorney General otherwise provides, in which case such an appearance shall be in the name of such Assistant Attorney General, and shall be made by qualified representatives of the Department of Justice designated by such Assistant Attorney General and in appearance before Federal agencies by qualified representatives designated by the Consumer Counsel involved.

(e) POWERS.—A Consumer Counsel is authorized, with respect to any Federal agency proceeding in which such Consumer Counsel is intervening or otherwise participating, to request such Federal agency to issue such orders as it is authorized to issue pursuant to its statutory powers, for the copying of documents, papers, and records; for the summoning of witnesses and the production of books and papers; and for the submission of information in writing. Such Federal agency shall issue any such orders upon a statement or showing by such Consumer Counsel as to the general relevance or reasonableness thereof.

(f) PROHIBITION.—No Consumer Counsel is authorized to initiate or intervene in any proceedings or activity before any State or local agency or court.

(g) RULES CHANGES.—Each Federal agency shall review its rules of procedure of general applcability, and, after consultation with its Consumer Counsel, shall issue any additional rules or modifications of existing rules which may be necessary to provide for such Consumer Counsel's orderly intervention and other participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers.

SEC. 8. CONSUMER COMPLAINTS.

(a) IN GENERAL.—Whenever a Consumer Counsel receives from any person any complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

such Consumer Counsel shall, unless he determines that such complaint or information is frivolous or outside the jurisdiction of the agency of which his office is a part, promptly transmit such complaint or information to the Federal official which has the authority to enforce any relevant law or to take appropriate remedial action. Each Federal agency shall keep the appropriate Consumer Counsel informed to the greatest extent practicable of any action which it is taking on complaints transmitted by him.

(b) NOTIFICATION.—Each Consumer Counsel shall, to the greatest extent practicable, notify producers, distributors, retailers, lenders, or suppliers of goods, services, and credit of all complaints of any significance concerning them received or developed under this section, unless such Consumer Counsel determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) PUBLIC AVAILABILITY.—Each Consumer Counsel shall maintain a public document room for public inspection and copying (at a reasonable charge, not to exceed cost), containing an up-to-date listing of all consumer complaints of any significance which such Consumer Counsel has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless a Consumer Counsel, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the Federal official to whom the complaint has been referred has had a reasonable time to notify the Consumer Counsel what action, if any, he intends to take with respect to the complaint; and

(3) no unsigned complaints shall be placed in the public document room.

(d) EVALUATION OF AND REPORTING ON COMPLAINT HANDLING PROCESSES.—Each Consumer Counsel shall evaluate the complaints received and transmitted and the effectiveness and efficiency with which such complaints are acted upon by the Federal agency of which his Office is a part. A summary of such evaluations, and recommendations for improvement, shall be included in the reports prepared by each such Consumer Counsel pursuant to section 5(c).

SEC. 9. CONSUMER INFORMATION.

(a) IN GENERAL.—In order to carry out the purposes of this Act, each Consumer Counsel shall—

(1) develop on his own initiative and shall, subject to the other provisions of this Act, gather from the other offices and officers of the Federal agency of which his Office is a part and from any other source; and

(2) disseminate to the public (in such manner, at such times, and in such form as he determines to be most effective) information, statistics, and other data, including, but not limited to, any matter over which such Federal agency has jurisdiction concerning—

(A) the functions and duties of the Office;

(B) consumer products and services;

(C) problems encountered by consumers generally or conditions, situations, developments, or practices which may adversely affect consumers; and

(D) an index of notices of hearings, proposed and final rules and orders, and other pertinent activities of such Federal agency that may affect consumers.

(b) DUTY OF COOPERATION.—All Federal agencies which possess information which would be useful to consumers shall cooperate with the appropriate Consumer Counsel in making information developed and gathered under subsection (a) available to the public in understandable form.

SEC. 10. STUDIES.

Each Consumer Counsel may conduct, support, or assist research, studies, plans, investigations, conferences, and surveys concerning the interests of consumers: *Provided*, That such activities are not unnecessarily duplicative of similar efforts by other Consumer Counsels for any Federal agency, or by similar efforts otherwise conducted by any Federal agency, and that such activities shall in no way constitute the creation of product-testing laboratories.

SEC. 11. ACCESS TO INFORMATION BY CONSUMER COUNSELS.

(a) IN GENERAL.—Upon written request by a Consumer Counsel, the Federal agency of which his Office is a part, shall furnish or allow access to all documents, papers, and records in its possession which such Consumer Counsel deems necessary for the performance of his functions and shall furnish, at cost, copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny a Consumer Counsel access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) personnel and medical files and similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;

(3) information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions;

(4) information which would disclose the financial condition of individuals who are customers of financial institutions; and

(5) trade secrets and commercial or financial information described in section 552(b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by such Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the appropriate Consumer Counsel that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Consumer Counsel, for which access is sought, to permit such access would constitute a breach of faith by such agency; or

(B) obtained subsequent to the effective date of this Act by such Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of such agency's function.

(b) ACCESS TO TRADE SECRET INFORMATION.—Before granting a Consumer Counsel access to trade secrets or commercial or financial information described in section 552(b)(4) of title 5, United States Code, the Federal agency of which such Counsel's Office is a part shall notify the person who provided such information of its intention to provide such access, and shall afford such person a reasonable opportunity, not to exceed 10 days, to comment thereon or seek injunctive relief prohibiting such access. If a Federal agency denies access to any information to a Consumer Counsel, pursuant to this subsection, the head of such agency and the appropriate Consumer Counsel (and the Assistant Attorney General for Consumer Protection and Advocacy, if requested by such Counsel) shall seek to find a means of providing the

information in such other form, or under such conditions, as will meet such agency's objections.

SEC. 12. DISCLOSURE OF INFORMATION BY CONSUMER COUNSEL.

(a) IN GENERAL.—Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by any Consumer Counsel, by any employee or agent of any Office, or by the Assistant Attorney General for Consumer Protection and Advocacy.

(b) PROHIBITION.—No Consumer Counsel, or officer or employee of any Office shall disclose to the public any information which was received solely from its Federal agency when such agency has notified the Consumer Counsel that—

(1) such information is within any exception set forth in section 552(b) of title 5, United States Code; and

(2) such agency has determined that such information should not be made available to the public.

If such Federal agency specifies that any such information may be disclosed to the public in a particular form or manner, such information may be disclosed by such Consumer Counsel in the form or manner specified.

SEC. 13. AUTHORIZATION OF APPROPRIATIONS

For purposes of this Act, existing appropriated funds should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed for each office $500,000 for the fiscal year ending September 30, 1978.

SEC. 14. EFFECTIVE DATE.

(a) This Act shall take effect 60 calendar days following the date on which this Act is approved, or on such earlier date as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the day they first take office at the rates provided for in this Act.

SEC. 15. SEPARABILITY.

If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

SEC. 16. TERMINATION.

(a) This Act shall terminate 5 years after the effective date of this Act, and the several Offices of Consumer Counsel and the Division of Consumer Protection and Advocacy of the Department of Justice shall be abolished as of the date of such termination.

(b) The President shall—

(1) commencing 2 years prior to the date of termination specified in subsection (a), conduct a review of these Offices' overall performance including, but not limited to, a study of the Offices' effectiveness in accomplishing their general purposes and promoting the general welfare; and

(2) not later than 12 months prior to the termination date specified in subsection (a), make public and submit to each House of Congress a report on the finding of the investigation conducted pursuant to paragraph (1), such report to include a recommendation that the authority of this Act be extended, that these offices be reorganized, or that the authority of this Act be allowed to lapse.

(c) The committees of the House and of the Senate having primary oversight responsibility with respect to the Offices shall, not later than 6 months prior to the termination date specified in subsection (a), conduct an inquiry into the performance and effectiveness of the Offices and make public a report of their findings, conclusions, and recommendations, including proposed legislation for such extension or reorganization of these Offices as they deem appropriate.

By Mr. HAGEDORN:

Page 13, after line 18, insert at the end of section 6 the following new subsection:

(j) The Administrator shall not intervene or otherwise participate in any Federal agency proceeding or activity or in a proceeding in a court of the United States involving judicial review of such agency proceeding or activity if such agency proceeding or activity affects two or more substantially conflicting interests of consumers. For the purposes of this subsection, two interests of consumers in a Federal agency proceeding or activity are substantially conflicting if a decision in such proceeding or activity leading to a significant improvement of one such interest would be likely to lead, directly or indirectly, to a significant impairment of the other.

Insert at the end of section 6 of the amendment in the nature of a substitute offered by the gentleman from Texas the following new subsection:

(j) The Administrator shall not intervene or otherwise participate in any Federal agency proceeding or activity or in a proceeding in a court of the United States involving judicial review of such agency proceeding or activity if such agency proceeding or activity affects two or more substantially conflicting interests of consumers. For the purposes of this subsection, two interests of consumers in a Federal agency proceeding or activity are substantially conflicting if a decision in such proceeding or activity leading to a significant improvement of one such interest would be likely to lead, directly or indirectly, to a significant impairment of the other.

By Mr. HOLLENBECK:

Section 9(d), on page 19, line 11, strike out the period and insert in lieu thereof the following: ", nor shall anything in this Act be construed to authorize the Administrator to request or direct the retesting of an aspect or characteristic of a consumer product or service when testing has been completed on such aspect or characteristic of that consumer product or service or a substantially identical consumer product or service within 18 months of the Administrator's request, unless a significant hazard to the consumer can be demonstrated."

By Mr. LEVITAS:

In section 6(a) of the amendment in the nature of a substitute offered by the gentleman from Texas, insert immediately after the first sentence thereof the following new sentence: "Whenever the Administrator intervenes or otherwise participates in any such proceeding or activity and such proceeding or activity may substantially affect more than one interest of consumers, the Administrator shall seek to represent each interest of consumers substantially affected.".

In section 6(d) of the amendment in the nature of a substitute offered by the gentleman from Texas, strike out paragraphs (2) and (3) and insert in lieu thereof the following:

(2) The Administrator may institute, or intervene as a party in, a proceeding in a court of the United States involving judicial review of any Federal agency action in which the Administrator did not intervene or participate if such court finds that such agency action adversely affects a substantial interest of consumers and, in the case of an intervention, that such consumers' interests would not otherwise be adequately represented in a judicial review of such action.

(3) The participation of the Administrator in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action. Nothing in this subsection shall be deemed to grant to the Administrator a right of judicial review of any Federal agency action greater than the right to seek such review which is available to private persons. In any case in which the Administrator intervenes under paragraph (2), the court shall likewise permit the intervention of any person who has a substantial interest affected by such otherwise adequately represented in such proceeding.

In section 6(d)(4) of the amendment in the nature of a substitute offered by the gentleman from Texas strike out ", except that" and everything that follows through "regulatory nature".

In section 7 of the amendment in the nature of a substitute offered by the gentleman from Texas, strike out subsections (a) and (e), redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively, and in subsection (b) (as redesignated) strike out "subsection (b)" and insert in lieu thereof "subsection (a)".

In section 17 of the amendment in the nature of a substitute offered by the gentleman from Texas, strike out ", or to a labor dispute" and everything that follows through "Labor Management Relations Act, 1947 (29 U.S.C. 171)".

In section 17 of the amendment in the nature of a substitute offered by the gentleman from Texas, strike out ": *Provided*, That" and everything that follows through the remainder of such section and insert in lieu thereof a period.

Insert at the end of section 6 of the amendment in the nature of a substitute offered by the gentleman from Texas, the following new subsection:

(j)(1) Notwithstanding any other provisions of law, the head of any agency which has conducted a rulemaking proceeding in which the Administrator has intervened or otherwise participated pursuant to subsection (a) shall, simultaneously with the promulgation or repromulgation of any rule or regulation pursuant to such proceeding, transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), no such rule or regulation shall become effective if—

(A) within 90 calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule or regulation promulgated by the Administrator of the Office of Consumer Representation dealing with the matter of , which rule or regulation was transmitted to Congress on .", the blank spaces therein being appropriately filled; or

(B) within 60 calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of Congress after such transmittal.

(2) If at the end of 60 calendar days of continuous session of Congress after the date of promulgation of a rule or regulation subject to paragraph (1), no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule or regulation, and neither House has adopted such a resolution, the rule or regulation may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolu-

tion, the rule or regulation may go into effect not sooner than 90 calendar days of continuous session of Congress after its promulgation unless disapproved as provided in paragraph (2).

(3) For the purposes of paragraphs (1) and (2) of this subsection—

(i) continuity of session is broken only by an adjournment of Congress sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of 30, 60, and 90 calendar days of continuous session of Congress.

(4) Congressional inaction on or rejection of a resolution of disapproval shall not be deemed an expression of approval of such rule.

On page 13, line 24, of the amendment in the nature of a substitute offered by the gentleman from Texas, strike out "Federal agency shall" and insert in lieu thereof "Federal agency may".

By Mr. SHUSTER:

Page 31, on line 15, insert immediately after "involving" the following: ", presently or prospectively,".

Page 31, line 19, insert immediately before "adequacy" the following: "present or future".

Page 30, line 22, insert immediately after "involving" the following: ", presently or prospectively,".

Page 31, line 1, insert immediately before "adequacy" the following: "present or future".

H.R. 9718

By Mr. TRAXLER:

On page 14, after line 14, insert at the end of section 6 of the amendment in the nature of a substitute offered by the gentleman from Texas the following new subsection:

(j) The Administrator shall not intervene or otherwise participate in any Federal agency proceeding or activity or in any civil proceeding in a Federal court, and the Administrator may not initiate any civil proceeding in a Federal court, if such intervention, initiation, or participation is intended to restrict or limit, or has the effect of restricting or limiting, the manufacture or sale of firearms, ammunition, or components of ammunition, including blackpowder and gunpowder.

EXTENSIONS OF REMARKS

SKOKIE DECISION SHOWS "CALLOUS DISREGARD"

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. EILBERG. Mr. Speaker, I am disappointed that the Illinois Supreme Court has ruled that the Nazi Party can march in Skokie, Ill., to carry out the Nazi program of inflaming racial prejudices and bigotry.

I fear that the court has failed to recognize the clearly stated hope of the Nazis to incite violence. In its decision, the court has been insensitive to public safety in Skokie, and has shown a callous disregard for the pain and anguish of the Jewish members of the community.

Mr. Speaker, freedom of speech has always been a part of the Jewish community's tradition. But this is not a question of protecting freedom of speech. It is a case of abusing it, because the Nazis make no attempt to disguise the fact that they seek to abuse the U.S. Constitution in order to carry out their program of hatred, bigotry, and violence.

We have seen what the Nazi swastika represents. It is not a political symbol. It is a symbol of racism and genocide, and anyone who doesn't realize this is overlooking the tragic history of our own lifetime.

The Jewish community and other minorities in our country have every reason to believe that the Nazis would carry out their threats if they had the opportunity to do so. Therefore, it is entirely appropriate for the community in Skokie to pursue every constitutional remedy at its disposal to prevent the Nazis from marching.

The following story from the January 30 Philadelphia Evening Bulletin recounts the terror visited by the Nazis on a woman who now is a resident of the district which I represent in Congress. This story illustrates the need to guard against those who would abuse the Constitution and hide behind it as a means of carrying out the violence and genocide that my constituent, Mrs. Mina Kalter, and her family know firsthand:

APPROVAL OF SWASTIKA IS SLAMMED: NAZI SYMBOL STIRS A PAST MEMORY

(By Robert Freedman)

When Mina Kalter's father and three brothers returned from their first day of forced labor at the hands of the conquering Nazis, two of the boys had the Nazi swastika carved into the flesh of their foreheads. It was Sept. 11, 1939.

"This was the first time I remember seeing a swastika," Mrs. Kalter recounted. "Literally, I saw it in the flesh—in the flesh of loved ones," she said yesterday at her home in Northeast Philadelphia.

Mrs. Kalter, then 16-year-old Mina Barseches, was living in her home town of Pryeworska, Poland, an important rail center of 55,000 persons.

Germany had invaded Poland on Sept. 1. Poland surrendered on Sept. 27th.

Almost 40 years later, Mrs. Kalter cannot believe that the swastika, the symbol of Hitler's Third Reich, has been ruled permissible for public display by the Illinois Supreme Court.

In a 6-1 decision, the court's majority opinion, handed down Friday, said, "The display of these swastikas, as offensive to the principles of a free nation as the memories it recalls may be, is symbolic political speech intended to convey to the public the beliefs of those who display it."

Those who asked the Court for permission to display the swastika are members of the National Socialist Party of America, a relatively small band of Nazi who claimed the constitutional right to march with it through Skokie, a predominantly Jewish suburb of Chicago.

Like Mrs. Kalter, many of Skokie's Jews are survivors of the Holocaust that claimed the lives of more than nine million people, six million of them Jews.

Like Mrs. Kalter, many of Skokie's Jewish people came to the United States in the years following World War II in hopes of a new beginning and in hopes of forgetting the terror and agony suffered at the hands of the Nazis.

"The mere thought of the swastika stirs dreaded memories deep in the hearts and souls of the survivors," Mrs. Kalter said. "These are memories better left in the backs of our minds, deep in our souls," she said.

"It's not that we try to forget completely," she explained. "We just want to make it through each day without being confronted by this symbol again," she said while sobbing at the memories the Skokie case brought to her mind.

The symbol Mrs. Kalter spoke of was seen many times during the ten years she spent as a young woman during the horrible years of 1939 through 1949.

It is a symbol she blames for the deaths of 67 members of her family—parents, grandparents, one of three brothers and her aunts, uncles and cousins.

A day after she saw the swastika carved in the foreheads of her two brothers, she saw it on the wings and tail of a German plane as it dove on her town's synagog and dropped one bomb on it that also destroyed the Jewish community surrounding it.

Mrs. Kalter saw it on the arms of the troops who led her family and all the town's other Jews into that burned out community to establish a "ghetto."

She saw it in 1940 when the German troops with swastika armbands took her mother and father away, never to be seen again, because her mother was too sick to perform forced labor and her father too dedicated to his wife to let her go alone.

She saw the swastika that same year when two drunken Nazi officers threw an 11-year-old child to his death from an apartment while Mrs. Kalter watched.

She saw the swastika on the arm of the German guards she escaped from when she jumped from a truck she was riding in a work convoy and escaped to the Russian sector of Poland.

"So you see, the sign of the swastika, for those who survived the holocaust, is a sign of terror and humiliation," she said.

"This Illinois ruling is a desecration to the memory of the six million Jewish martyrs killed at the hands of the Nazis under that sign of the swastika."

"I wonder if this (the Illinois ruling) is what was meant by our founding fathers when they spoke of freedom of speech under the First Amendment?" she asked.

"This case has gone beyond the limits of the First Amendment because when I see a swastika, I feel the knives and guns at my back," she said.

Mrs. Kalter's two brothers now live with their families in Israel. She has visited them there three times since 1949 and one of them has been to Philadelphia.

Sol Kalter, her husband whom she met while in a Russian work camp in Siberia, is a watch maker in center city. They have three children and live in a single ranch-style home in the Bustleton section of Northeast Philadelphia.

I REMEMBER GREG

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. WYDLER. Mr. Speaker, Gregory Thompson was my youngest nephew and he was killed a few days ago in an auto